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21 July 1981

## SOUTH AND EAST ASIA REPORT

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## CONTENTS

## BANGLADESH

Dacca Press Reportage on Ziaur Rahman Assassination (THE BANGLADESH OBSERVER, 31 May-5 Jun 81).....	1
Front-page Editorial	
Leaders Condemn Killing	
Background on Sattar	
Ghayebana Janaza in Dacca	
Hasina Condemns Killing	
Commander-in-Chief's Appeal	
BNP Emergency Meeting	
Cabinet Resolution	
Condemnation Continues	
Details of Assassination, by Syed Murtaza Ali	
BNP Secretary General Comments	
Report From Chittagong	
Condemnation in Chittagong	
Prime Minister's Speech	
Party Leaders' Statement	
Emergency Explained	
Rebel Council Members Named, by Syed Murtaza Ali	
Plea for Probe	
'BANGLADESH TIMES' Editorial	
Announcement on Assassination Inquiry Commission (THE BANGLADESH OBSERVER, 7 Jun 81).....	29
Last Hours of Chittagong Mutiny Described (THE BANGLADESH TIMES, 7 Jun 81).....	30
Paper Reports Names of Nationalist Party Expellees (THE BANGLADESH OBSERVER, 27 May 81).....	32

Indian Papers' 'Cock and Bull Stories' Refuted (THE BANGLADESH OBSERVER, 7 Jun 81).....	33
Progress of Bangladesh-PRC Friendship Reviewed (THE BANGLADESH OBSERVER, 7 Jun 81).....	35
House Discusses '81-82 Budget, Financial Situation (THE BANGLADESH TIMES, THE BANGLADESH OBSERVER, 7, 8 Jun 81).....	39
Revenue Budget Presented Fiscal Measures Described Increased Money Supply GDP Growth Rate Annual Development Program Cost-of-Living Index Tax Proposals Listed Foreign Aid for Development	
Text of Government White Paper on South Talpatty (THE BANGLADESH OBSERVER, 27 May 81).....	60
Recommendations of Energy Seminar Presented to ZIA (THE BANGLADESH OBSERVER, 27 May 81).....	70
Petroleum Minister Reports Drilling Progress (THE BANGLADESH OBSERVER, 5 Jun 81).....	72
Minister Explains Objectives of Import Policy (THE BANGLADESH OBSERVER, 27 May 81).....	74
<b>PAKISTAN</b>	
Power Struggle Seen as Threat to Iran (VIEWPOINT, 18 Jun 81).....	76
CIA's Statistics on Oil Criticized (VIEWPOINT, 18 Jun 81).....	77
American Firm Makes Major Oil Find East of Karachi (DAWN, 27 Jun 81).....	78
Pressure on Wage Earners Noted as Budget Readied (Hussain Naqi; VIEWPOINT, 18 Jun 81).....	80
<b>PHILIPPINES</b>	
Autonomy for Moro Muslims Soon (DAWN, 3 Jul 81).....	81



Economic Growth in 1980 Set at 5.4 Percent (BULLETIN TODAY, 27 Jun 81).....	82
Danish Loan Accord Signed (BULLETIN TODAY, 27 Jun 81).....	83
Examination of Government Funds in Philfinance (BULLETIN TODAY, 27 Jun 81).....	84
Papua New Guinea Needs More Philippine Workers (BULLETIN TODAY, 27 Jun 81).....	85

DACCA PRESS REPORTAGE ON ZIAUR RAHMAN ASSASSINATION

Front-page Editorial

Dacca THE BANGLADESH OBSERVER in English 31 May 81 p 1

[Editorial: "Most Tragic"]

[Text] The nation has received with profound pain and shock the news of the death of President Ziaur Rahman at the hands of miscreants in Chittagong. (innalillahe wa inna ilaihe rajoon). We cannot condemn too strongly this dastardly act of violence leading to the assassination of the President. A nation involved in a hard struggle for reconstruction initiated by him cannot afford a jolt of this dimension.

Vice-President Justice M. A. Sattar has assumed the office of President of the People's Republic of Bangladesh by a public announcement. By all accounts here is an extraordinary situation created in the country--a situation in which peace and stability at all levels of national life is of utmost importance. It demands courage and patience and an unqualified sense of national solidarity among the people and political parties.

Acting President, Justice M. A. Sattar has made a fervent appeal to the sections of the people to maintain law and order with patience, solidarity and patriotism at this hour of national calamity and help run public life normally. And, thank God, all signs of normalcy exist in the metropolis with the council of Ministers, as announced by the Acting President, carrying out their responsibilities as usual, official work going on normally elsewhere.

That the life of the nation remains unruffled by the incident is also assured by the fact that, as declared by the Acting President, all regional and international agreements between the government of Bangladesh and all foreign governments shall remain in force.

To ensure internal security and order the Acting President has proclaimed a state of emergency under the provisions of the constitution of the country. In a critical national juncture like this public and official cooperation from all quarters is the means with which to face up to it. National cohesion and unity is certainly the most imperative need of the hour. And only a united and determined patriotic consciousness of the people irrespective of groups or parties could steer the nation safe through this crisis.

The government has declared a 40-day national mourning at the death of President Ziaur Rahman whose eventful career as President and national leader was tragically brought to an end on Saturday morning. Among his great achievements were the successful transition from Martial Law to democratic order and strengthening our relations with the international community particularly with the Islamic world. We pray for eternal peace of his soul in heaven and extend our heartfelt condolences to his bereaved family.

#### Leaders Condemn Killing

Dacca THE BANGLAD 1 OBSERVER in English 31 May 81 pp 1, 12

[Text] The Acting President, Mr Justice Abdus Sattar on Saturday evening held a meeting with the leaders of all the political parties at Bangabhaban, reports BSS.

The leaders strongly condemned the killing of President Ziaur Rahman in Chittagong on Saturday at the meeting held under the chairmanship of the Acting President.

While deprecating the painful incident they reiterated their firm adherence to the constitutional and democratic politics and denounced politics of violence.

The leaders placed on record their profound sense of grief at the premature death of President Ziaur Rahman and expressed their heartfelt sympathies to the members of the bereaved family and prayed to Allah for the peace of the departed soul.

ENA adds: The leaders present at the meeting at Bangabhaban were: Mr Ataur Rahman Khan of Jatiyo League, Kirandakar Moshtaq Ahmed and Shah Moazzom Hossain of Democratic League, Mr Miznur Rahman Chowdhury MP and Mr Noor-e-Alam Siddiqi of Awami League (Mizan) Mr Moni Singh of Communist Party of Bangladesh, Major (Retd) M.A. Jalil, Mr A.S.M. Abdur Rab and Mr Shajhan Siraj MP of Jatiyo Samajtantric Dal, Dr Aleem-Al-Razee of Peoples League, Gen. M.A.G. Osmani of Jatiyo Janata Party, Mr Mohammad Toaha of Sammyabadi Dal, Mr Salahuddin Kader Chowdhury and Mr M.A. Matin MP of Muslim League (Sabur), Justice B.A. Siddiqi of Muslim League (Siddiqi), Mr Sirajul Hossain Khan and Mr Nurul Huda Mirza of Gonotantric Party, Mr Salahuddin Yusuf MP of Awami League (Hasina), Mr Rashed Khan Menon of Gonotantric Andolon, Kazi Zafar Ahmed of United People's Party, Mr Pankaj Bhattachariya of National Awami Party (Muzaffar), Mr Suranjeet Sengupta and Syed Altaf of Ekota Party Moulana M.A. Matin of Labour Party, Moulana Abdur Rahim of Islamic Democratic League, Mr Abbas Ali Khan of Jamat-e-Islami, Mr Amena Begum of Bangla Jatiyo League, Mr Abu Naser Khan Bhashani of National Awami Party (Naser), Mr Noorur Rahman of National Awami Party (Noorur group) Mr Shafiul Alam Prodhan of JAGPA, Dr M.O. Ghani, MP (IND), Mr M.A. Huq, MP (IND), Mr Ahmedul Kabir MP (IND) and Comrade Mehdi of Gonotantrike Kormi Shibir.

Mirza Sultan Raja, Mr Ruhul Amin Bhuiya, Mr Ataul Huq Khan, Mr Dilip Barua, Mr Mustafa Zamal Haider, Mr Asadur Ali Advocate, Mr Haider Akbar Khan Rono, Mr A.G. Mansur, Mr Siddiqur Rahman, Mr Nirmal, Sen Sardar A. Halim, Advocate Ismail, Mr Yakub, Moulana Yusuf, Mr Shamsur Rahman, Mr Farmanullah Khan, Mr Moyerruddin and Mr Sirajul Huda.

Another reports adds: Leaders belonging to different political parties on Saturday expressed their condolence at the death of President Ziaur Rahman.

The leaders in their message of condolence urged all political parties not to be guided by emotion and sentiment and called upon them to give proper leadership to the nation upholding the democratic and constitutional values and keeping national interest above everything.

**Mirza Golan Hafiz**

In a message, speaker Mirza Golam Hafiz expressed his shock at the sad and "dastardly" assassination of President Ziaur Rahman.

He said that in his death the nation has lost a great patriot and nationalist dedicated to the welfare of the common man.

Paying tributes to the late President, the Speaker said he had played a significant role as an international peacemaker and that his contribution to the cause of national development is without bound.

The Speaker said "President Zia has been a great exponent of Non-aligned Movement and a great cementing factory in strengthening the bonds of friendship and fraternal relations between Bangladesh and other nations particularly the Islamic world. The people of Bangladesh are grateful to him for the restoration of Parliament through election. He will go down in history as one of the greatest sons of Bangladesh."

The Speaker conveyed his sincere condolence to the members of the bereaved family of the late President.

**Asaduzzaman**

Mr Asaduzzaman Khan, Leader of the Opposition in the Jatiya Sangsad, expressed his deep shock at the demise of President Zia and said it would not bring any good for the people and the country.

Condemning the killing, Mr Khan said such act of violence always weakened democratic processes which were the most necessary means of realising people's welfare.

The Awami League (Hasina) leader asked the Government to take immediate steps to ensure security and safety of the lives and property of the people. Unless, law and order situation at such crisis hour was kept in control, the people will have to face miseries only he added.

He expressed bereavement and sympathy to the widow of the Late President, and members of his family. He also prayed for the late President's magferat.

Our staff correspondent adds: Jatiya Samajtantrik Dal (JSD) and Jatiya Janata Party have called for national unity and upholding democratic values at this hour of national crisis.

Major (Rtd) M.A. Jalil and Mr A.S.M. Abdur Rab, President and General Secretary of JSD in a joint statement said that unity of people at all spheres of life and upholding of democratic values were the main duty in the present situation in the country.

#### Osmani

The convening committee of Jatiya Janata Party in an emergency meeting held under the chairmanship of General (Retd) M.A.G. Osmani urged the people, Government and opposition leader to shun all sorts of sentiment and agitations and give the nation a correct leadership by upholding democratic and constitutional values by keeping the national interest above personal and party interests. The meeting observed that the life and property of the people must be protected and general public should not be harassed. The meeting expressed deep grief at the killing of President Ziaur Rahman who was the Commander of 'Z' force during the War of Liberation.

Bangladesh Awami League (Hasina) leader Mr Salahuddin Yusuf, MP, expressed his "concern" on the situation arising out of the killing of President Ziaur Rahman.

He said that all of his party leaders are now in Sylhet and could not come to Dacca following disruption of train communication.

Mr Yusuf said the Awami League believes in democratic process and never believed in political killing. He also demanded trial of the killing of Bangabandhu Sheikh Mujibur Rahman and four national leaders killed in jail 1975.

He upheld the Constitution of 1972 and urged the Government to honour the constitutional provisions.

Giving his reaction, the only Awami League (H) leader available at Bangabhaban said that his party would meet to discuss the situation on arrival of the central party leaders from Sylhet.

#### Khan Sabur

The chief of Bangladesh Muslim League on Saturday expressed his deep shock, agony and anguish at the "dastardly assassination" of President Ziaur Rahman.

In a Press statement the ageing Muslim League leader paying glowing tributes to the late President said he was the personification of energy and gave every evidence that he sincerely wanted to serve the country.

Expressing his agony Mr Khan A. Sabur said that every patriotic person of the country would mourn the death of President Ziaur Rahman whose young career was cut short by an assassin far away from Dacca.

"I don't know how to console the aggrieved family to bear the loss with fortitude."

He prayed to Almighty Allah so his departed soul may rest in eternal peace.



Mohammadullah

Former President Mr Mohammadullah expressed his profound shock at the sad and sudden death of President Ziaur Rahman at the hands of "miscreants" in Chittagong.

The former President said in a statement that the loss sustained by the nation at the killing of President Zia at a critical juncture was great.

Mr Mohammadullah who is also a Member of Parliament belonging to the ruling BNP, conveyed his heartfelt condolence to Begum Ziaur Rahman and other members of the bereaved family.

May his soul rest in peace, the former President prayed to the Almighty Allah.

Mr Nurul Huq (Comrade Mehdi), Chief of Ganotantrik Karmi Shibir, expressed the deep grief on the brutal killing of President Ziaur Rahman and said that as a democratic party they believe in peaceful transfer of power.

He called upon the political parties to be united against such bloody acts.

Mr Mohammad Toaha, Chief of Bangladesh Samyabadi Dal on Saturday condemned the killing of President Zia and said this was not done in the interest of the nation and the people.

"Though we believe in changing Government in the interest of the people, we do condemn such killing" he said. Expressing his condolence and sympathy for the widow and family members of the bereaved family, Mr Mohammad Toaha, a Member of the Parliament, said we had never presence of democracy although we had adopted policy of democracy. He called upon the Government not to come down with heavy hands on the left and progressive forces in the name of emergency rule.

Referring to the 15 party alliance which included his party, the leftist leader said the alliance would review the whole situation and formulate its programmes with a view to halting recurrence of such killing.

Mr Mizanur Rahman Chowdhury, President of Awami League (Mizan) deeply regretted the sad killing of President Ziaur Rahman and urged the Government to let the nation know what had happened endangering the independence of the country. "We are worried as to what is taking place" he said and urged the Government to take the people into confidence when Government was facing the situation.

The office bearers of Bangladesh Federation of Teachers' Association, Bangladesh College Teachers Association and Bangladesh Government Secondary School Teachers Association in a joint statement expressed their deep sense of sorrow at the "tragic death" of President Ziaur Rahman.

They called upon all sections of people including teachers and students to uphold the integrity and sovereignty of the country at any cost at this moment of national crisis.

Mr Abdul Matin MP and Senior Vice-President of Bangladesh Muslim League condemned the killing of President Ziaur Rahman and said that transition to democracy was not possible through the act of killing.

He called upon the people irrespective of party affiliations to maintain peace and discipline and safeguard the country's sovereignty and solidarity.

In a joint statement, Maulana Mohammad Abdur Rahim, MP Chairman Advocate Saeed Ahmed Senior Vice Chairman and Maulana Muhammad Abdus Sobhan, Secretary General of Bangladesh Islamic Democratic League, expressed profound shock at the killing of President Ziaur Rahman on Saturday.

The three IDL leaders expressed hatred at the dastardly murder of the President and urged the people to be vigilant so that such brutal acts never happened in the soil of Bangladesh again.

They also prayed for the salvation of the departed soul and extended deep sympathy to the members of the bereaved family.

In a statement 36 fishermen's leaders including Mr Abdur Rouf, expressed deep grief at the killing of great leader President Ziaur Rahman.

The statement said that the dastardly act of killing President Ziaur Rahman had severely hurt the whole nation and the peace seeking world conscious.

With the killing of President Zia the Third World nations had lost a great, resolute and bold leader the statement said and added Bangladesh would never forget him.

Paying for the salvation of the departed soul the fishermen leaders urged the nation to resist unitedly the culprits responsible for the killing.

In a joint statement Hafez A.T.M. Hemayetuddin and Mr A.M.M. Sirajul Islam, President and General Secretary of Bangladesh Jamiat-e-Talaba-e-Arabia expressed deep sorrow at the assassination of President Ziaur Rahman by miscreants. They termed the killing as a conspiracy against the national independence and sovereignty of Bangladesh. They called for national unity.

The Jatiya Tarun Sangha in a statement to the Press expressed its deep condolence on the premature and sudden death of President Ziaur Rahman.

They called upon the people to observe the 40-day mourning with full honour.

In a separate statement Syed Sirajul Huda, President, Bangladesh Jatiya Dal and Mr Minhajul Islam, its Secretary, condemned the killing of President Ziaur Rahman.

They called upon the people to maintain peace, discipline and unity at this critical juncture of the country.



BFUJ, DUJ

Mr Ahmed Humayun and Mr Reazuddin Ahmed President and Secretary General respectively of Bangladesh Federal Union of Journalists (BFUJ) and Mr Iqbal Sobhan Chowdhury and Mr Amanullah Kabir President and General Secretary respectively of Dacca Union of Journalists (DUJ) on Saturday condemned the killing of President Ziaur Rahman at Chittagong on Saturday reports BSS.

In a joint statement they expressed their profound sorrow and grief at the tragic death of the President and called upon the people of all shades of opinion to adhere to constitutional and democratic values.

Strongly denouncing the politics of violence the leaders of BFUJ and DUJ maintained that such acts could never deliver goods to the nation.

They said "We join the people at this critical hour of the nation in a relentless struggle to defend the national independence and sovereignty and democratic values."

They called upon all political parties and mass organisations to stand united at this critical hour of the nation sinking all differences.

They conveyed their heart felt sympathy to the members of the bereaved family of the late President and prayed for the peace of the departed soul.

#### Background on Sattar

Dacca THE BANGLADESH OBSERVER in English 31 May 81 p 12

[Text] Born in 1906, Mr Justice Abdus Sattar received his education in Calcutta. He obtained M.A. and B.L. degrees in 1928 and 1929 respectively and started legal career. He was Councillor Calcutta Corporation in 1939 and Assessor member, Calcutta Corporation in 1939 and Assessor Member, Calcutta Improvement Tribunal from 1940 to 1942. He was enrolled as an Advocate in the Calcutta High Court in 1941. He was appointed Chief Executive Officer, Calcutta Corporation in 1945.

Mr Justice Sattar joined the Dacca High Court as an Advocate in 1950. He was elected Member of the Second Constituent Assembly of Pakistan in 1954.

Mr Justice Sattar was Minister for Interior and Education of Pakistan in 1956. He was appointed a Judge of the High Court of East Pakistan in 1957 and of the Supreme Court of Pakistan in 1968. He was appointed Chief Election Commissioner of Pakistan in 1969.

Mr Justice Sattar was Chairman of the Board of Directors of Bangladesh Life Insurance Corporation in 1973 and Chairman of the Bangladesh Journalists' Wage Board in 1974. He was convener, Bangladesh National Group for nomination of members to the International Court of Justice. He is President of Bangladesh Institute of Law and International Affairs.

Mr Justice A. Sattar has been Special Assistant to the President since 1975 and was in charge of Ministry of Law and Parliamentary Affairs till his appointment as Vice President of the People's Republic of Bangladesh on June 3, 1977.

Mr Justice Sattar took active part in politics and was closely associated with Sher-e-Bangla A.K. Fazlul Haque and Mr H.S. Suharwardy.

Mr Justice Sattar has performed the Haj. He has visited a number of Asian and European countries. He takes interest in special work. His hobbies are reading and gardening.

#### Chayebana Janaza in Dacca

Dacca THE BANGLADESH OBSERVER in English 1 Jun 81 pp 1,8

[Excerpt] The Chayebana Namaj-e-Janaza of the late President Ziaur Rahman was held at the inner Stadium in Dacca at 11.30 a.m. on Sunday and all over the country on Sunday.

The Stadium was nearpacked to its capacity and hundreds of thousands of people from all walks of life attended the Namaj-e-Janaza. Despite inclement weather, people came to the stadium from all directions.

The Namaj-e-Janaza, led by the Imam of the Baitul Mokarram Mosque, was attended by Acting President Mr Justice Abdus Sattar, Prime Minister Shah Azur Rahman, Speaker Mirza Ghassem Hafiz, Deputy Prime Minister, Mr Jamaluddin Ahmed, Deputy Prime Minister Mr S.A. Bari, A. T. Cabinet Ministers, State Ministers and Deputy Ministers.

Leaders of different opposition political parties also attended the Janaza. Among them were Mr Asaduzzaman Khan, leader of the Opposition in Parliament, Khan A. Sabur MP and Kazi Abdul Kader MP of Bangladesh Muslim League (Sabur), Messrs A.S.M. Abdur Rob and Shahjahan Siraj MP of Jatiya Samajtantrik Dal, General (Retd) MAG Omani Commander in Chief of Bangladesh Army during the War of Independence, Mr Abdur Rahman Khan MP of Jatiya League, Kazi Zafar Ahmed of the United Peoples Party, Maulana Abdur Rahim MP of Islamic Democratic League and Maulana Abbas Ali Khan of Jamat-e-Islam.

The diplomats from the missions of the Islamic countries also attended the Janaza.

Acting President, Mr Justice Abdus Sattar, briefly addressed the congregation. He appealed to the people to pray for the salvation of the departed soul of the Late President Ziaur Rahman, who was assassinated in Chittagong on Saturday.

Mr Justice Sattar said in choked voice that the elected President of the country was killed by the miscreants in a very cruel manner. He observed that the Government made all efforts even through the Bangladesh Red Cross Society to receive the body of the Late President but the miscreants did not pay heed to the request for returning the body. "This is why Chayebana Janaza was being held," he added.

The Acting President noted that as a human being, President Zia was subject to errors and mistakes. He made a fervent appeal to the people to forgive President Zia if he had done any wrong to anybody.

After the Namaj-e-Janaza a mourning procession was brought out from the stadium gate. The processionists, wearing caps and black badges, paraded the roads in front of the GPO Jatiya Press Club and moved towards the Jatiya Sangsad. Prime Minister Shah Azizur Rahman, Deputy Prime Minister Mr S.A. Bari A.T. a number of BNP MPs and leaders were in front of the procession, carrying a big photograph of the late President Ziaur Rahman.

The processionists defying heavy rains and inclement weather paraded the city thoroughfares. Some of the processionists shouted slogans like, "We will not let the blood of President Zia go in vain."

#### Hasina Condemns Killing

Dacca THE BANGLADESH OBSERVER in English 1 Jun 81 pp 1, 8

Sheikh Hasina Wazed President of Bangladesh Awami League (Hasina), on Sunday "condemned the tragic killing" of President Ziaur Rahman and called upon the government to continue the "democratic and constitutional process to face and overcome the present crisis" reports BSS.

In a statement issued in Dacca the Awami League (Hasina) chief called upon the people of the country to face the "critical situation" with tolerance.

The statement was released to the Press by the Office Secretary of Bangladesh Awami League (Hasina).

The statement called upon all freedom-loving and democratic forces to face the situation unitedly.

The Awami League (H) President said her party does not believe in the politics of murder and believe in changing government through the democratic process. She said Awami League expressed its view before the nation after the "brutal assassination" of the legally elected President "Father of the nation" Bangabandhu Sheikh Mujibur Rahman on August 15, 1975, and subsequently the brutal killing of four national leaders in the jail.

She said in this critical hour Bangladesh Awami League calls upon the nation to remain alert against the anti-independence forces that might emerge to threaten the independence and sovereignty. She also asked for caution against indisciplined and anti-social forces so that they may not disrupt public life.

The AL leader also expressed her deep sympathy to the members of the bereaved family of late President.

### Commander-in-Chief's Appeal

Dacca THE BANGLADESH OBSERVER in English 1 Jun 81 p 1

[Text] Commander-in-chief of the Liberation War, General M.A.G. Osmani on Sunday appealed to the misguided members of Bangladesh Army to surrender responding to the call and assurance of the Government, reports BSS.

He also appealed to the members of the army not to be misled by the conspiracy of a few miscreants. He said, they should put in their best efforts with dedication to protect the independence and sovereignty of beloved motherland in its crisis period.

He said as you all know that the constitutionally elected President of People's Republic of Bangladesh Ziaur Rahman was assassinated in the morning of May 30 in Chittagong in a heinous conspiracy by a handful of miscreants.

General Osmani condemned the heinous killing with grief and sorrow and said that the national leaders of all the political parties of Bangladesh had condemned the killing. He said no person with conscience could support such undemocratic activities in a problem-ridden country like Bangladesh.

He said, in the greater interest of the country, it is the responsibility of all the patriotic soldiers to cooperate with the lawful government at this hour of crisis to bring the law breakers to right path without being misled by this heinous conspiracy.

General Osmani said "I appeal to all members of the Bangladesh Army especially the East Bengal Regiment which was the flat carrier of Bangali nationalism even during the Pakistani period and the saviour of the honour of the Bengalis, not to be misguided by the conspiracy of a handful of miscreants. The misleds should surrender responding to the call and assurances of the government.

### BNP Emergency Meeting

Dacca THE BANGLADESH OBSERVER in English 1 Jun 81 pp 1, 8

[Text] The Parliamentary Party of the Bangladesh Nationalist Party (BNPPP) in an emergency meeting on Sunday at the Jatiya Sangsad condoled the premature death of President Ziaur Rahman at the "hands of some miscreants."

The BNPPP meeting which was presided over by Prime Minister and leader of the House Shah Azizur Rahman passed a unanimous resolution condoling the death of President Ziaur Rahman and calling for national unity. The meeting resolved to implement late president's peaceful revolutionary programmes of national reconstruction and economic self-sufficiency.

Briefing newsmen after the BNPPP meeting Prime Minister Shah Azizur Rahman said that the meeting reviewed the situation arising out of the tragic incident in Chittagong. The meeting, he said discussed measures for further consolidating national unity to meet the challenge. The meeting, he added also decided to further activate BNP and its Parliamentary Party.



Following is the resolution adopted in the BNPPP meeting:

"This meeting of BNPPP places on record its profound sense of pain and grief at the premature death of President Ziaur Rahman at the hands of some miscreants. The party does not have adequate words to express its condemnation of this dastardly act of violence. The party is overwhelmed by severe shock particularly when the nation is involved in a struggle for development and reconstruction initiated and piloted by President Ziaur Rahman.

"This meeting calls upon the nation to bear the irreparable loss with patience and fortitude and to remain unruffled by the tragic incident.

"The party recalls the historic contribution of President Ziaur Rahman in effecting successful transition from martial law to full democracy and consolidating our relations with the international community particularly with the Third World countries and the Islamic World.

"The party expressed its firm resolve to continue to implement late President's peaceful revolutionary programmes of national reconstruction and economic self-sufficiency.

"The party extends its condolence to the members of the bereaved family and prays to Almighty Allah for the peace of the departed soul who will remain a potent and perennial source of strength and inspiration. The meeting also condoled the death of Col Ahsan and others of President's Guard and police on duty."

Among others, the BNPPP meeting was addressed by Deputy Prime Ministers Mr Jamul-uddin Ahmed and Mr S.A. Bari, A.T. Home Minister Mr Mostafizur Rahman, Minister for Local Government and Rural Development Capt. (Rtd) Abdul Halim Chowdhury, State Minister for Power Development and Water Resources, Mr L.K. Siddiqui, State Minister for Youth Mr Abul Kashem and former Deputy Prime Minister Mr Moudud Ahmed.

The BNPPP meeting was adjourned till 7.30 p.m. on Tuesday.

#### Cabinet Resolution

Dacca THE BANGLADESH OBSERVER in English 1 Jun 81 pp 1, 8

[Text] The Council of Ministers at a meeting on Sunday recorded its most profound sense of grief and sorrow at the tragic death of President Ziaur Rahman at the hands of some miscreants in Chittagong, reports BSS.

The Acting President, Mr Justice Abdus Sattar, presided over the first formal Cabinet meeting held at the Bangobhaban in Dacca.

The following resolution was adopted at the first formal Cabinet meeting:

"This meeting of the Council of Ministers with the Acting President Mr Justice Abdus Sattar in the chair places on record its most profound sense of grief and

sorrow at the tragic death of President Ziaur Rahman at the hands of some miscreants in Chittagong. This meeting while recalling with pride President Ziaur Rahman's outstanding services in the war of independence, his deep patriotism selfless and untiring efforts for the well-being of the people; his immense contribution in restoring democracy and rule of law in Bangladesh in organising and mobilising the people through self-reliance for economic development and social upliftment, in rendering distinguished service for solution of problems faced by the Muslim nations and the Least Developed Countries, in championing the cause of the Non-aligned group of nations and in earning for Bangladesh international appreciation and prestige, calls upon the people of the country to rededicate themselves for consolidation of national unity and for hard work to realise the ideals and goals set by the departed President.

"This meeting expresses its most heartfelt sympathy and condolence for Begum Ziaur Rahman, the children and other members of the bereaved family and prays to Almighty Allah to give them the strength and fortitude to bear this irreparable loss. May Allah grant eternal peace to the departed soul."

#### Condemnation Continues

Dacca THE BANGLADESH OBSERVER in English 1 Jun 81 pp 1, 8

[Text] Leaders of political parties, student and labour organisations, Mukti-joddha Sangsad socio-cultural organisations in separate statements on Sunday expressed profound condolences at the death of President Ziaur Rahman. They also expressed sympathy with the family of the late President.

Lt Col (retd) Kazi Nuruzzaman Chairman of the Central Command Council of Mukti-joddha Sangsad said that Freedom Fighters were deeply shocked at the sudden painful death of President Ziaur Rahman, the announcer of the War of Liberation and a valiant Freedom Fighter. He said we firmly believe that desire for power through killing cannot bring welfare to the country.

The Mukti-joddha Sangsad leader further said that the hated fanatic communal force of Jamate Islami was trying to exploit the situation created by the death of President Zia. They held that this conspiracy must be resisted.

He urged upon all Freedom Fighters to remain alert to safeguard the sovereignty, integrity and independence of the country.

Moulana Abdur Rashid Tarkabagish, President and Mr Abdus Samad, General Secretary of Gano Azadi League in a statement expressed deep condolences at the death of President Zia. They prayed for the salvation of the departed soul and expressed sympathy with his family.

#### Muzaffar

Mr Muzaffar Ahmed President of National Awami Party (Muzaffar) expressed profound condolences at the death of President Zia. He prayed for the salvation of the President's soul.

Mr Justice B.A. Siddiki, President of Muslim League (Siddiki) said that killing of head of state or political leader cannot bring any good to the nation. He observed that due to the absence of democracy in the country two heads of state lost their lives. He hoped that people irrespective of opinion, will maintain unity in the greater interest of the nation and through constitutional means lead the nation towards progress.

Mr Haider Akbar Khan Rano, General Secretary and Mr Rashed Khan Menon MP and Central Committee Member of Workers' Party in a joint statement said that we always condemn and oppose politics of killing and conspiracy. They held that the killing of President Ziaur Rahman has deepened the chaotic condition in the country. They urged for strengthening the unity of people in the interest of safeguarding the democratic rights and continuation of the democratic political process. They called upon the government to take the people into confidence and observed that meetings, etc were necessary to strengthen the unity.

Mr Mahfuj Bhuiyan, General Secretary of Gano Mukti Party said those who created this grave situation had no base in the people. Although they claim themselves as members of Dipsahi Parishad they have no connection with revolution he observed.

The Krishak Sramik Party in a meeting on Sunday expressed condolences at the death of President Zia. The meeting was presided over by Party Chief Syed Azizul Huq.

#### **Mahfuzur Rahman**

Mr Mahfuzur Rahman, Convener and Mr Sadek Hossain Khoka, Joint Convener of Mukti-joddha Sangsad (Mahfuj) condemned the killing. They said that it was clear that this killing was at the instance of foreign mentors of forces inimical to the liberation and sovereignty of the country. These forces want to frustrate the democratic process in the country.

Statements condoling the brutal death of President Ziaur Rahman were also issued by Mr Ataul Huq General Secretary, Muslim League (T. Ali) leaders of Tafsil Jati Federation, Moulana Khondakar Nasiruddin of Jamiatul Mudarresin, Mr Sarafat Hossain Choudhury, Chairman of Republican Party, A. Mutalib Akhand, President of Jubo Muslim League, (T Ali) President, Vice-President and General Secretary of Islami Chhatra Sakti Mr M.A. Reza General Secretary of Jubo League (Siddiki) Secretary Prakton Saarik Karmachari Bahumukhi Samabaya Samity, Ahle Hadis Jubo Sangha, Mr Manindra Nath Sarkar, President of Hindu Jubo Kalavan Samity, Mr Nazmul Huq Nannu, President and Mr Khorshed Alam General Secretary Bhashani Smriti Sangsad, President Sramik Kalyan Federation.

#### **Harun-ar-Rashid**

Choudhury Harun-ar-Rashid and Pankaj Bhattacharya President and General Secretary of Bangladesh National Awami Party in a joint statement to the Press expressed their deep sense of shock and concern at the assassination of President Ziaur Rahman at Chittagong. They praised the step of upholding the constitutional values which only can safeguard the interest of the people at this moment of crisis.



Dy. Speaker

Deputy Speaker of the Bangladesh Jatiya Sangsad Mr Sultan Ahmed Chowdhury on Sunday condemned the killing of President Ziaur Rahman and expressed his shock at the sad and dastardly assassination of the President.

In a message the Deputy Speaker said that in his death the nation has lost a great patriot and a nationalist dedicated to the welfare of the common man.

Paying rich tribute to the memory of President Ziaur Rahman, Mr Sultan Ahmed Chowdhury said that the people of Bangladesh were grateful to the late President for restoration of Parliament through election. He said that President Ziaur Rahman had also played a significant role as an international peace maker and that his contribution to the cause of national development was immense.

The Deputy Speaker conveyed his sincere condolences to the members of the bereaved family of the late President.

Agencies add: Mr Abbas Ali Khan Acting Amir of Jamat-e-Islami of Bangladesh in a statement on Sunday night expressed deep concern at the sad demise of President Ziaur Rahman.

He considers such acts of killing as a curse to the nation and said "we have no language to condemn it."

Bangladesh College Teachers Association on Sunday expressed profound grief at the tragic death of President Ziaur Rahman on Saturday morning in Chittagong.

#### Details of Assassination

Dacca THE BANGLADESH OBSERVER in English 2 Jun 81 pp 1, 8

[Article by Syed Murtaza Ali: "How the Crime Was Committed"]

[Text] Chittagong, June 1: President Ziaur Rahman and seven others were killed when a group of 25 army men of Twenty four Infantry Division raided the Chittagong Circuit House early Saturday morning.

Besides, 20 others including three army men of President's Guard Regiment were injured in the firing.

The supporters of Major General M.A. Manzoor, General Officer Commanding of 24 Infantry Division came to Circuit House in a pick-up van and one jeep at 3.50 a.m. While the pick-up van parked behind the Circuit House near Alman cinema hall, the jeep went straight towards the main gate. The army men who disembarked from pick-up van reached the Circuit House premises crawling.

All these army men who were in uniform suddenly opened mortar shelling to the bewilderment of the Army and police on duty. With the opening of mortar shell, the whole premises was overcast by smoke. Then the group of General Manzoor started heavy firing over the President's Guard and police. In few minutes, this group overpowered the President's guards and police.

The misguided rebels first shot dead one police constable who was on duty on the first floor before reaching the second floor. The President clad in payjama and punjabi was in the room No 3 of Circuit House on the second floor. On hearing gun shots he came out from the room to see for himself the reason of firing. By that time, General Mansoor's men had reached the second floor. They fired several rounds of bullet over the President's face and chest resulting in his immediate death.

This rebels took 25 minutes in their ghastly heinous job of killing President Ziaur Rahman. However, this group went back by the same pick-up van and jeep leaving behind President's body.

Dr Badruddoza Chowdhury, Secretary-General of the BNP and State Minister, Mr Mahibul Hasan who were in room No 4 of the second floor were unhurt.

Later the bodies of Colonel Ahsan and Capt Hafiz were found lying on the second floor. Their bodies were pierced with bullets.

Dr Amina Rahman, BNP leader, Mr Aminur Rahman, Private Secretary to the President and Colonel Mahfuz, Personal Secretary to the President who were also asleep at the Circuit House were unhurt.

Those who were killed are: Colonel Ahsan of Defence Field Intelligence, Capt. Hafiz of President's Guard, Sepoy Shah Alam of President's Guard, Police Constable Dulal, Naib Subadar Rauf of President's Guard and two others unidentified sepoy of President's guard. Sepoy Shah Alam of President's Guard died of his bullet injuries at Chittagong Medical College Hospital on Sunday night.

The injured persons include: Sepoy Mainuddin of President's Guard, Naik Rafik of President's Guard, Sepoy Abdul Hye Sarkar of President's Guard, Police Constable Belayet Hossain, C and B driver Amir Hossain, Police Constable Moslem Ali, Assistant Commissioner of Police Mokarram Hossain, Assistant Police Commissioner Abu Solaiman, Havildar Shapan Kumar, Rezaul Karim, Constable Abdul Rahman, Constable Abdul Majid, Constable Nazrul Islam and Constable Shah Alam.

#### BNP Secretary General Comments

Dacca THE BANGLADESH OBSERVER in English 2 Jun 81 pp 1,8

[Text] Chittagong, June 1--It was a touching scene at the Chittagong Airport, Dr Badruddoza Chowdhury, Secretary-General of the Bangladesh Nationalist Party who was hiding for three days in Chittagong burst into tears when he saw the Dacca newsmen at the airport. The other leaders including Dr Amina Rahman, State Minister Syed Mohibul Hasan and Deputy Minister Mrs Quamrunnagar Zafar were also weeping.

Dr Badruddoza Chowdhury who was in the Circuit House on that fateful night in a room just opposite the room where President Zia was sleeping in gave a lurid and horror story. He said that it was a rain of bullets showered on the President and pierced in their rooms. "It started like thunderstorm. It was a commando type of attack by a group of armed people," Dr Chowdhury narrated.

It all started with the shelling of a mortar and he mistook it for a thunderstorm. But later I found smoke everywhere. They started firing ceaselessly from the machineguns. He and Syed Mohibul Hasan took shelter inside and against the interior wall of the room. "I saw a sentry guarding the Circuit House on the first floor standing and looking around." After a couple of minutes he saw through the window pane the sentry dead.

While narrating the story at the VIP Lounge to the Dacca newsmen he was with deep emotion when he recalled the horror and ghastly scene in the Circuit House. He said that scores of bullet pierced through the body of the President and his right eye was blown off. He was lying dead just in front of his room wearing a payjama and panjabi and sandals. It was raining when the miscreants attacked the Circuit House.

Mr Mizan Chowdhury a leader of the BNP Labour Front, who was in a nearby room came out first and saw the body of the President. He covered the blood stained body with a bed sheet.

Dr Chowdhury told the newsmen that he saw the body of Col Ahsan and Capt Hafiz lying there were several bullet marks on their persons. Bewildered Dr Chowdhury could not move from the Circuit House till 7 a.m.

The commando type attack started at four a.m. amidst torrential rain and continued for about 20 minutes. Dr Chowdhury said he could not assess the situation and was mum for quite some time. He said he could not believe that the misguided in army people had killed President Ziaur Rahman, Dr Chowdhury said that the killers left the Circuit House immediately after killing the President and at about 9 a.m. one rebel announced from the Chittagong Station of the Radio Bangladesh that they had formed a "Biplabi Prishad" Revolutionary Council. But he said, the Radio Bangladesh Dacca kept the morale of the people high. In Chittagong there was a pall of gloom everywhere when the news of the death of President Ziaur Rahman was heard.

Dr Chowdhury and other party leaders who accompanied the President had last talks with President Zia at about 12:15 on Friday night. Earlier President Zia held meetings at the Circuit House from the morning and offered his Juma prayer at Chandanpura Mosque along with Dr Chowdhury and other leaders. President Zia asked the partymen to work relentlessly for the development of the country, Dr Chowdhury said. He further told newsmen that President Zia also said that "Talpatty is our island and In Shaa Allah we will recover it. This was the last national problem he discussed with his colleagues.

#### Last Dinner

Dr Chowdhury said that President Zia was in a cheerful mood throughout the day on Friday. He told Dr Chowdhury and other leaders in lighter vein 'I love Chittagong. Can you give me a house here?'

Dr Chowdhury narrated in a choked voice that the President dined at the Circuit House at about 11 p.m. along with his colleagues. The bearer who was serving food was looking very sick and President told Dr Chowdhury that he must have many

children. The President then asked the bearer how many children he had. The bearer said seven. President burst into laughter saying that 'You see, my assessment is correct.' He paused for a while when he came to know that the bearer gets a salary of Taka 425 only and asked him 'can you manage your family with the amount?' Dr Chowdhury said that the President was served with mutton on the night and probably he liked it. He asked the bearer for some more.

But the bearer said 'Sir this is the last piece I have given you.' Dr Chowdhury broke down saying that President's desire could not be fulfilled.

Dr Badruddoza Chowdhury said that President Zia had a talk with his wife before going to bed. He was also very jubilant while talking to his wife. He asked her in his usual style 'How are you? What are you doing? Is it raining in Dacca? O.K. O.K. I will come tomorrow. That's all.'

Dr Badruddoza Chowdhury said that he left the Circuit House at 7 a.m. on the fateful morning and took shelter at the house of a friend at Lakhan Bazar. Dr Chowdhury about whom a lot of rumours were there appeared in public at the airport about 1 p.m. on Monday. He was looking very disturbed. Dr Chowdhury told the newsmen that the weakness of the rebels was clear from their very first announcement and the programmes of the Dacca station of Radio Bangladesh kept the morale of the people high. He said that the rebels announced that they had exchanged views with the BNP Secretary-General which he termed baseless and false. He said, 'if they could trace me, you can imagine what they would have done with me.' Dr Chowdhury said that the attackers raised slogans 'Biplab, Biplab,' Dr Amina Rahman who is a member of the BNP Standing Committee was at the Circuit House at the time of the ghastly incident. She could not speak normal even on Monday while we approached her at the airport.

Other leaders including the State Minister and Deputy Minister also looked bewildered.

When I visited the Circuit House I found blood and broken glasses, strewn every where. Marks of bullet were visible on the wall. In the afternoon Ghayebana Janaza was held at the Laldighi Maidan where hundreds of thousands of people thronged to pay their homage to the departed President.

After the Namaz-e-Janaza thousands of People entered the Circuit House breaking the security ring there. They were going through different rooms to find the President there. The people there also raised slogans, carried portrait of President Ziaur Rahman.

Former Minister for Women Affairs, Dr Mrs Amina Rahman a 60-year-old lady who was also inside the Circuit House on the night of May 30, said, "The miscreants killed the President within a few minutes and left the place leaving the bodies." She said "I almost fainted and could not understand what was happening outside my room. Hundreds of bullet were entering through the door and windows of my room and I entered the bathroom for ablution with a view to saying my last prayer."



Mr Mizanur Rahman leader of Sramik Dal, front organisation of BNP, who was also inside the Circuit House on the night, said that after the "miscreants left the place killing the President and the other people, he came out of his room and met Col. Mahfuz. "I myself and Col, Mahfuz, who also survived the killing later covered the blood stained body of the late President with a white bedsheet from the President's room," he added.

#### Plea To Make Circuit House National Mausoleum

BSS adds: Chittagong Circuit House in which the Late President Ziaur Rahman was assassinated should be converted into a national mausoleum, BNP Secretary General Prof Badruddouza Chowdhury said on Monday.

"I shall request the Government to convert the house into a national mausoleum so that people can remember the tragic incident in which the democratically elected President of the country was assassinated by the miscreants," Prof Chowdhury who was surrounded by hundreds of his party workers prior to his departure for Dacca at Patenga Airport said.

The BNP Secretary General who had stayed with the President at the Circuit House on the tragic night of May 30 said with a voice choked with emotion that the President on occasions had expressed his desire to have a house in Chittagong as he "loves the place very much."

He had also expressed this desire a few hours before he embraced martyrdom at the hands of armed miscreants.

#### Report From Chittagong

Dacca THE BANGLADESH OBSERVER in English 2 Jun 81 p 8

[Text] Chittagong, June 1--With the announcement of the news over Radio that rebel leader Major General Manzoor and his accomplices fled away from Chittagong, lakhs of people came out on the street and rushed towards the Circuit House to see the ghastly scene. People of all shades of opinion condemned the killing of President Ziaur Rahman.

Life returned to complete normalcy and people heaved a sign of relief after about hours of seizure of the port city by the rebels. The rebels clamped curfew in the port city from evening to morning to terrorise the people. However, the panic-stricken people tuned the Dacca radio to keep their morale high.

It was a touching scene at the Chittagong Circuit House. People in thousands gathered at the Circuit House again at noon and by 2 p.m. tens of thousands of people thronged there from the gajabana janaja at Laldingi Maidan. Wearing black badges, many of them started sobbing and crying. The grief-stricken people broke the security ring and entered the Circuit House at about 3 p.m. They went through different rooms and saw the blood and broken glasses strewn in the rooms.

A number of processions later came to the Circuit House carrying banners and portraits of President Ziaur Rahman. Processions were also brought out to condemn the killing.

Nurul Islam, an elderly rickshaw puller told me that President Zia was our man. He raised the prestige of Chittagong in 1971. The tragedy is that he had to be killed in Chittagong.

Mansur, a worker of the Chittagong Port Trust said that he could not take his meal after the hearing the news. He said that he had lost his own man.

One Opposition political leader said that he had political differences with President Zia. But he could not support the killing in a dastardly way. He said that all political parties and people should resist the recurrence of such incidence in future.

Prof Abul Fazal former Education Adviser of the Government and former Vice-Chancellor of the Chittagong University said that he was shocked at the killing of President Ziaur Rahman. He said that this type of killing could never bring good for the nation and the people. He called for constitutional changes of the Government and urged all to shun the path of violence.

The misguided rebels and miscreants terrorised the people by giving confusing announcement in Chittagong radio. They also took war like preparation by installing antiaircraft guns at radio station and Chittagong airport. They were also threatening to stop supply of oil, electricity and food from Chittagong Port. General Manzoor delivered a speech which he described as a policy making statement over Chittagong radio on Sunday in which he highlighted some ridiculous guidelines and claimed that they were being supported by other cantonments. The so called Biplabi Parishad also clamped curfew in Dacca, Rangpur, Mymensingh, Comilla and in some other places. Major General Manzoor met the high officials and the journalists on Sunday afternoon at the court buildings and told them to abide by his directives. He, however, indicated that his life was at stake. In that meeting, the local representative of Bangladesh Red Cross handed over the letter of its Chairman Justice Shahabuddin, to Major General Manzoor. The Red Cross representative also sought his permission to get the body of President Zia under Geneva Convention. General Manzoor said, "It is beyond my control." The officials whom we talked to here heaved a sigh of relief this morning. The rebels took over the Radio Station at 4 a.m. on Saturday and made the first announcement at 9.30 a.m. They abandoned the Radio station on Sunday night.

The miscreants in a commando type operation killed the President Zia in the early hours on Saturday. About 20 army guards and police were injured. They are undergoing treatment at the Combined Military Hospital, Chittagong Medical College Hospital and Police Hospital.

The body of President Zia and others remained at the Circuit House till 10.30 a.m. when the army jeep came and took away the bodies. They were later buried in a single grave. The body of the President which was found along with two other army

officers at Rangunia, 17 miles off Chittagong city and was later sent to Dacca. He was buried there without any shroud. He was clad in pajama and panjabi. The two army vehicles and one ambulance went to Rangunia by Dacca-Chittagong Road and hired some people to bury the bodies. The students of Chittagong Engineering College this morning helped the recovery of the body.

The political leaders who accompanied the President and stayed with him are safe. Dr Badurdoza Chowdhury and other leaders left Chittagong for Dacca. Dr Badrud-doza Choudhury was weeping at Chittagong Airport. Prof. Chowdhury was hiding in a house at Lalkhan Bazar. The rebels broadcast a news about Dr Chowdhury claiming that they had exchanged views with him. But Dr Chowdhury later talking to newsmen termed this ridiculous, baseless and false. He said "If they could get me you can imagine what would have been my fate." The people of Chittagong organised a Gaibana Janaza at Laldighi Maidan. They also held a meeting at the Circuit House premises and expressed their determination to stop recurrence of such incident and materialise the dreams of the President.

Rebel leader Major General Manzoor left Chittagong Cantonment at about 3.15 a.m. to day by two jeeps. However, he and his two accomplices were apprehended from Fatikchari thana and brought to Chittagong. People coming from that area to port city said that hundreds of people chased them.

#### Condemnation in Chittagong

Dacca THE BANGLADESH TIMES in English 3 Jun 81 p 2

[Text] Chittagong, June 2: People belonging to different shades of public opinion expressed their deep shock and sorrow at the tragic assassination of President Ziaur Rahman on Saturday last by the armed miscreants reports BSS.

In separate Press statements there on Monday they paid rich tributes to the late President and called for unshakable national unity at this crucial hour of the nation.

The Railway General Unity Command of Bangladesh Muktiyoddha Sangsad expressed deep shock at the tragic killing of President Ziaur Rahman who was the Chief Patron of the Muktiyoddha Sangsad.

The unit command denied their reported allegiance to the so-called 'Biplobi Prishad' which was broadcast by Chittagong radio on Sunday night. They returned it as completely false and motivated.

Chittagong district and its branches of Bangladesh Muslim League at a condolence meeting paid rich tributes to President Zia and expressed their heart-felt sympathy to the departed soul.

Condoling the death of President Ziaur Rahman, Chittagong branch of Democratic League termed his death as an irreparable loss to the nation.

The city branch of Jamaat-e-Islami Bangladesh condoling the killing of Ziaur Rahman termed it as a part of conspiracy against independence and sovereignty.



The other organisation who condoled the death of the President are, Chittagong University Central Students union (CUCSU) Bangladesh Islami Chhatra Sangsad, Bangladesh Homoeopathic Parishad and Bironi Bitan Marchants Welfare Committee.

Mr Nurul Islam and B.A. Azad Islamabadi President and General Secretary of Chittagong Sangsadpatra Parishad at a Press statement expressed their deep shock at the brutal killing of President Ziaur Rahman.

CCC & I

The Executive Committee of the Chittagong Chamber of Commerce and Industry met in emergency session on Monday to condole the tragic death of President Ziaur Rahman.

Presided over by Mr Shafiur Rahman CC and I, the meeting observed two minutes' silence as a mark of respect and offered prayer for the salvation and eternal peace of the departed soul. The Executive Committee recalled with gratitude the selfless service rendered by President Ziaur Rahman for the liberation of the country and for the economic emancipation of the common people. He was a patriot and valiant freedom fighter who first started freedom struggle from Chittagong.

The Executive Committee paid rich tributes for the contribution made for the nation by President Ziaur Rahman dastardly action of Major General Abul Manjur and his accomplices.

He urged the government to give exemplary punishment to the culprits.

The meeting expressed sympathy to the bereaved family.

Muktijoddha

Chittagong Sadar North unit Command of Bangladesh Muktijoddha Sangsad expressed its heartfelt condolences at the assassination of President Ziaur Rahman by the armed miscreants. In a press statement in Chittagong unit command strongly condemned such brutal act of the miscreants.

The Sangsad hailed Lt General H.M. Ershad, Chief of General Staff and Chief Adviser of the Mukhtijiddha Sangsad for his wise and successful handling of the situation.

They also prayed for the salvation of the departed soul of President Ziaur Rahman who was the chief patron the Bangladesh Muktijoddha Sangsad.

The unit command will hold a condolence meeting at its office premises on Tuesday at 3 p.m.

Mymensingh

The District BNP and its front organisations at a condolence meeting here on Sunday afternoon expressed their profound shock at the dastardly assassination of President Ziaur Rahman.

Condemning the killing the speakers at the meeting called upon the people to defend the constitutional and democratic values and sovereignty of the country at this critical hour of the nation.

After the meeting the workers brought out a silent procession wearing black badges and paraded the main roads in the town.

In the evening they held a Milad Mehfil at the BNP office and prayed for the peace of the departed soul.

#### Kushtia

Our Kushtia correspondent adds: Milad mahfil and quoran khwani were organised at the local BNP office on Monday in memory of the late President Ziaur Rahman. Hundreds of workers of BNP and other allied organisations including Jatiyatabadi Jubo Dal attended the milad mahfil.

Meanwhile the members of the local Press Club condemned the killing of President Ziaur Rahman at a meeting presided over by Prof Afsaluddin Shaikh, President of the club.

#### Patiya

Our Patiya correspondent adds: Different socio-political and cultural organisations of Patiya subdivision strongly condemned the barbarous killing of President Ziaur Rahman by some miscreants.

National Flag is flying at half mast atop all private and public buildings and special prayers were offered at various mosques as a mark of respect to the late President. Anjuman Tanjimul Muslemeen Orphanage at Hazrat Amanat Shah (RA) Shrine Lane arranged Quran Khwani and special prayer on Monday morning led by Maulana Hakim Mubarak Ali Hezazi for perpetual peace of the departed soul of President Zia.

Local units of BNP Muslim League NAP IDL Jamate Islami, UPP organised separate meeting and paid glowing tributes to the late President and urged the government to give exemplary punishment to those who were responsible for this brutal assassination.

#### Prime Minister's Speech

Dacca THE BANGLADESH OBSERVER in English 4 Jun 81 p 1

[Text] Prime Minister Shah Aziaur Rahman told the Jatiya Sangsad on Wednesday that presidential elections would have to be held in accordance with the constitutional provision within 180 days following the vacancy caused in the office of an elected President. He felt that the late President Ziaur Rahman had set unique examples and ideals before the nation for defending the Constitution and safeguarding democracy.

Speaking on the obituary resolution the Leader of the House said that peaceful transition of power through periodic elections was the only way to defend the

democratic polity in the country. It is through ballot, not through terror and bullet that any transition of power has to be ensured he added.

Shah Aziz observed that massive national unity as was demonstrated on Tuesday on the occasion of late President Zia's state funeral was the only bulwark against adventurism to defend national sovereignty save democracy and honour the sanctity of the Constitution. He noted that the nation had succeeded to overcome its crisis due to resolute unity and patriotic consciousness of the people, wholehearted cooperation of the Opposition parties and superb sense of duty, responsibility and patriotism of the Armed Forces the BDR and the police who proved their finesse, excellence and patience in tackling the situation. He expressed gratitude to all for overcoming the crisis without bloodshed. He was also grateful to the publicity media including the radio the Press and the TV in this connection.

Referring to the proclamation of the state of emergency, he said that emergency would not be there one single day beyond its necessity. He assured all that there would not be any misuse of the provisions under the emergency. He referred to the assurances of the Acting President in this context.

The Prime Minister told the House that the Government would continue to consult the Opposition parties in all matters connected with the present national crisis and take them into confidence in solving the national problems. He reiterated the Government's firm commitment to a multi-party system which late President Zia himself so ardently sought to nourish.

The Leader of the House paid the most profound tributes to late President Zia and recalled his glorious contributions to the cause of strengthening the nation on all fronts. As a statesman, politician and humanist, he kept his finger on the pulse of the people, he observed.

He stated that the most outstanding achievement of the late President Zia was his step for "our peaceful transition from Martial Law to full democracy, firmly based on multi-party system." President Zia made constant contacts with the people even in the interiormost places of the country to inspire them with production-oriented activities, he pointed out while stating that the programmes for boosting food production, digging of canals, removal of mass illiteracy, controlling population growth etc. would bear him out as the most outstanding leader committed wholeheartedly to the cause of national uplift and peoples' welfare.

The Prime Minister said that the message of self-reliance which the late President preached among the people for motivating them in national reconstruction based on voluntary labour was a distinct aspect of his political philosophy.

He noted that the late leader had left an indelible mark on contemporary international life as a stout champion of the cause of non-alignment and as a strong advocate of the Third World Nations. He observed that President Zia's contributions to the cause of development and prosperity of the Muslim World were unique. The condolence messages which were received from abroad following his assassination bear eloquent testimony of respect and esteem he was held in the international community, he added.

The Prime Minister said that the late President would continue to serve as an ideal and as a "potent and perennial" source of inspiration for the people.

#### Party Leaders' Statement

Dacca THE BANGLADESH OBSERVER in English 4 Jun 81 p 1

[Text] Sixteen leaders of different political parties in a joint statement on Wednesday called upon the people to remain vigilant against what they said "the identified enemies" of independence and sovereignty within the country, reports BSS.

They said that the country was thrown into a critical situation arising out of aggression on our independence and sovereignty and of the undemocratic activities and anarchies of the past. The grave situation had been further aggravated by the Saturday's assassination of President Ziaur Rahman in Chittagong. They said adding that the whole nation was naturally concerned very much.

The signatories to the statement include Mr Ataur Rahman Khan, Kandaker Moshtaq Ahmed, Kazi Zafar Ahmed, Mr B.A. Siddiqui, Mr Mohammad Toaha and Maulana Abdur Rahim.

The political leaders in their statement referred to the problem of Indian occupation of South Talpatty Island, the disputes with India on Farakka, Tamabil Lathitila border rivers and corridors. They said that while those problems are engulfing Bangladesh like an octopus and the people are concerned about the independence, sovereignty and devastating national economy. The only way left for overcoming the crisis was the united strength and creative awareness of the people.

The leaders stressed the need for consolidating national unity and understanding against the danger of aggression through expanding the application of unfettered democratic rights. But they felt that it would not be possible to face today's critical situation unless the people were taken into confidence with the imposition of the state of emergency. As such, they demanded restoration of the suspended fundamental rights through immediate withdrawal of the emergency so that the people could prepare themselves to face any eventuality.

#### Emergency Explained

Dacca THE BANGLADESH OBSERVER in English 5 Jun 81 pp 1,6

[Text] The Prime Minister and the leader of the House on Thursday told Jatiya Sangsad that emergency was proclaimed on May 30 under "gravest situation" following the assassination of President Ziaur Rahman.

Dispelling the Opposition fear the prime Minister declared that under the emergency right to hold public meetings and bring out processions would not be curtailed. He however said that certain fundamental rights had been suspended in view of the internal disturbances.



The Prime Minister said that public meetings processions and political campaigns would be allowed during the forthcoming presidential elections which will be held within 180 days. He told the Opposition that if they want to hold public meetings and bring out torchlight processions they could do so.

The Prime Minister categorically said that no actions and measures would be taken under the emergency unless it was necessary. He said "we are watching the situation and let us hope for the best and prepare for the worst."

The Prime Minister assured the Opposition members that the Government had not yet decided on passing any emergency act or rule. He said that if the Government decides to pass any such act or rule it would discuss with the Opposition parties. He clarified that till Emergency Act was not passed or emergency rules not framed meetings and processions could not be stopped. He assured the Opposition that it was the Parliament to make or not to make any such act or rule. The necessity of such act or rule would be based on the situation of the country he said.

The Prime Minister expressed the hope that as the people Opposition parties Armed Forces BDR and police had shown their unreserved sentiment against adventurism there would be no necessity for passing Emergency Act and Emergency Rules. He said that the question of such act or rules would be necessitated only in case of grave situation arising out of internal and external security.

Defending proclamation of emergency the Prime Minister said that in view of the gravest situation on May 30 there was no other alternative but to enforce emergency for internal security. He said that during 1978 presidential election there was emergency and public meetings and processions were allowed that time. He referred to emergency in India under Prime Minister Mrs Indira Gandhi when elections were held and public meetings and processions were allowed.

Earlier in the morning session Prime Minister and the Leader of the House Shah Azizur Rahman, laid before the House the proclamation of emergency and the order relating to it issued by Acting President, Mr Justice Abdus Sattar.

#### Rebel Council Members Named

Dacca THE BANGLADESH OBSERVER in English 3 Jun 81 pp 1, 8

[Article by Syed Murtaza Ali: "'Biplabi Parishad' Unveiled"]

[Text] Chittagong, June 4--The names of the members of so-called Revolutionary Council (Biplabi Parishad) of misguided army group of Chittagong were vealed today. The 'Revolutionary Council' consisted of seven members with Major General M.A. Manzoor as its chief.

According to reliable sources the "Council" members are: Major General M.A. Manzoor, General Officer Commanding of 24th Infantry Division, Brig Mohsenuddin Ahmed, Brigade Commander of 69 Infantry Division, Col Noazisuddin, Commander of 305 Brigade, Col Abdur Rashid, Brigade Commander of 65 Infantry, Brigade Lt Col Mehbubur Rahman, Commanding Officer of 21 East Bengal Regiment, Lt Col Matiar Rahman, Staff Officer of Divisional Headquarter and Lt Col Fazle Hossain Commanding Officer of six East Bengal Regiment.

Of the seven members of "Council" three are dead. They are Major General M.A. Manzoor, Lt Col Mehbubur Rahman and Lt Col Matiar Rahman. The remaining four are now under custody of the Army.

The "Revolutionary Council" was formed at about 6 a.m. on Saturday after the assassination of President Ziaur Rahman. But the members of the "Council" made a careful attempt to conceal their names from the public. Even Major General M.A. Manzoor while holding a meeting with the heads of the department of different local government offices and journalists at Chittagong Court Building on Sunday declared that he was nobody of Biplabi Parishad. He addressed them as G.O.C. and a spokesman of Revolutionary Council.

This so called Revolutionary Council first made announcement of its functioning over Chittagong centre of Radio Bangladesh at 9.30 a.m. on Saturday. The "Council" gave in all eleven rounds of public instructions and orders over the radio and Chittagong television relay centre.

It kept Chittagong centre of Radio Bangladesh and Chittagong Television relay centre under its control for about 48 hours from 6 a.m. of Saturday to 6 a.m. of Monday, the Chittagong Television relay centre telecast only silent inscription of announcement of "Revolutionary Council" over TV screen. But the radio and television announcements were made in haphazard and inconsistent way.

The four telegraph and telephone exchanges of Chittagong city were also under its control for about 48 hours. The telephone STD connection with Dacca went down at 5.07 a.m. on Saturday. The telecommunication of Chittagong with other parts of the country also remained snapped during that period. However the communications were restored at 5.15 a.m. on Monday.

Meanwhile three bodies have been found at Manichari Police Station of Chittagong Hill Tracts district. The bodies were taken to Manikchari Thane. The names of these persons could not be ascertained.

#### Plea for Probe

Dacca THE BANGLADESH OBSERVER in English 5 Jun 81 pp 1, 8

[Text] Eleven leaders of different political parties urged the Government to constitute a high powered enquiry commission headed by a judge of the Supreme Court to unearth the conspiracy that led to the brutal and dastardly killing of President Ziaur Rahman at the Chittagong Circuit House on June 30.

In a joint statement issued to the Press on Thursday the leaders congratulated the Armed Forces and the people for unitedly foiling the conspiracy of the enemies against the independence and sovereignty of the country.

They also condoled the death of President Ziaur Rahman and other military political and civil personnel who laid down their lives while discharging their duty and sympathised with their bereaved families.

The political leaders are: Aihaj Shamsul Huda, Chairman Gono Muslim League; Aihaj Major (Retd) Afsaruddin President National Democratic Party Syed Serajul Huda Jatiya Dal Advocate Shafiqur Rahman IDL.

Advocate Shafiqur Rahman IDL (Shafique), Azizul Islam Chairman National Republican Party for [word illegible], Advocate Golam Mohiuddin Jatiya Dal (Mohiuddin), Abdul Khaleque and M. Ali Ashraf Joint Convener NAP (B), Advocate Hazrat Ali National Forum for Rule of Law, Dr K. N. Islam, Convener Jatiya Shabok Dal, Sharafat Hosain Chowdhury, Convener Bangladesh Republican Party and Advocate Mujibur Rahman (Convener) People's Democratic Party).

#### 'BANGLADESH TIMES' Editorial

Dacca THE BANGLADESH TIMES in English 2 Jun 81 p 1

[Editorial: "Trial and Triumph"]

[Text] The misadventurist rebellion in Chittagong of a microscopic group of disloyals has collapsed. The nation gripped by the assassination of its President in the person of Ziaur Rahman has been pulled back from the brink of a dark, deep and fathomless abyss. The lifting of a great danger from national life, swathed in Almighty's kindness, gives an immensely creditable evidence of the splendid loyalty and unified response of the Armed Forces, including those trapped in Chittagong, to the dictates of the Constitution. The latter at the hour of trial made the ground of supreme national interest.

The maintenance of a stable course, of continuity in authority and governance, from the centre of power to all about represents the triumph of the constitutional process behind which rallied as rock the people and the political parties. The popular craving for stability and democracy burgeoned to an unprecedented pitch. The political parties irrespective of affiliations joined voice in a universal condemnation of the act of assassination extending support to a firm course of normalcy and rationality.

The entire people lived the experience with calm determination and their grief turned into solidarity at the funeral congregation of teeming and tearful multitudes in Dacca Stadium and all over the country. They recalled in anguish the contributions that late President Zia recorded in the service of the nation. His work stands vindicated. While the best gratitude we can think of expressing for what he did would be in holding up the fronts that he strengthened--so painstakingly--we feel a profound sense of sympathy towards his bereaved family.

A phase of crisis is over. We are in the follow-through where consolidation of the gainful experiences with us is necessitated so that this can stand us in good stead whenever or if ever, any attack on sovereignty, democracy and constitution is attempted. The new solidarity among the people government and armed forces forged through an unflinched confidence in one another must remain as an impregnable bulwark against all forms of adventurism against democracy and law. The Constitution of the Republic stands as a proven instrument of meeting a contingency. It enshrines features clinging to which steadfastly will steer us safely through to the sought-after destiny.



The forces inimical to national independence, sovereignty and democratic ways have been identified. And they are isolated. Only a thorough-going political and constitutional process based on an unshakable confidence in people such as has been rewarding at the hour of need can crush them completely. Even the denouement that we have been blessed with is a proof of late President Zia's frequent assertions that the people are the real source of power. The nation in crisis makes its own leadership.

CSO: 4220/7992

**ANNOUNCEMENT ON ASSASSINATION INQUIRY COMMISSION**

Dacca THE BANGLADESH OBSERVER in English 7 Jun 81 pp 1, 12

[Text] The following Press Note was issued in Dacca on Saturday by the Government of Bangladesh according to a PID handout.

The Government on Saturday appointed a Commission of Inquiry consisting of Mr Justice Rahul Islam Judge of the Appellate Division of the Supreme Court as President and Mr Justice A.T.M. Afzal Judge of the High Court Division of the Supreme Court and Syed Serajuddin Ahmed District and Sessions Judge Khulna as Members to inquire into the killing of President Ziaur Rahman in Chittagong on May 30, 1981.

**Terms of Reference**

The terms of reference of the Commission of Inquiry shall be:

1. (a) To ascertain whether the killing of the President was the result of a conspiracy;

If so--(b) Who were the conspirators and what was their motive? (c) What was the plan of the conspirators and how was it organized? and (d) Who supported and assisted the conspiracy in what manner and to what extent?

2. (a) What security and protective measures were taken for protection of the person of the President? (b) Whether these measures and the degree and nature of vigilance exercised were adequate and consistent with the rules and instructions on the subject and requirement of the situation prevailing in the Circuit House at the time; (c) Whether there was any failure and if so, to what extent, on the part of any person department or agency responsible for the protection of the person of the President?

3. Why the body of the President was not secured from Chittagong Circuit House before it was taken away by the miscreants? Was there any failure on the part of anyone in this regard?

4. The conduct of the officials of the civil administration including the Police following the killing of the President up to the capitulation of the miscreants.

The Commission of Inquiry shall complete the inquiry and submit its report within two months from June 6, 1981.

CSO: 4220/7995

## LAST HOURS OF CHITTAGONG MUTINY DESCRIBED

Dacca THE BANGLADESH TIMES in English 7 Jun 81 pp 1, 8

[Text] The last 11 hours before the collapse of the rebellion led by Maj-Gen Abul Manzoor were marked by suspicion and tension among the small group of rebel leaders and their supporting troops who would not number more than 40 according to reports pieced together.

At about 5 p.m. on Sunday, Maj-Gen Manzoor asked all officers under his command to meet at Division Conference Room to discuss what should be done vis-a-vis the call by Dacca Government to surrender. Present in the room guarded by armed troops were the members of the 'Revolutionary Council' and Brigadier Hanna, Commandant of Bangladesh Military Academy in Chittagong who was under house arrest since the rebellion broke out.

Brigadier Aziz, another Brigade Commander, was under surveillance the rebellion started.

All the members of the 'revolutionary council' opined that they would fight and declared that they did not accept the "surrender call or deadline." However, the decision to negotiate came late and the responsibility was given to Brig Hannan.

Brig Hannan sought the opening of communication channel with Dacca. As discussion was continuing, Gen Manzoor pushed to Brig Hannan a note he scribbled: "I feel there is scope for negotiation, if you agree announce it over Dacca Radio." He told Brig Hannan not to say a word more than the sentence he scribbled.

Brig Hannan communicated the message as desired but for logical reason Dacca did not respond to the message. But the conference which began at 5 p.m. continued into midnight.

But at around 7 a.m. news came to the conference room that the troops were deserting in larger number. The reasons the troops gave for desertion that after the expiry of the deadline Dacca Government would start bombing why should they face that situation for nothing. Gen Manzoor immediately ordered the Brigade Commanders and COs go to troops to stop the exodus. Then Brig Mohsin, Col Matin, Lt-Col. Matiur Rahman, Lt-Col Rasid, Lt-Col Nawazeh, Lt-Col Mahbub and others went out. But Brig Hannan was asked to stay in the conference room. Sometime later Gen Manzoor also left the room.

At about 3 a.m. Brig Hannan was asked to go to Gen Manzoor's house. Brig Hannan left the room. He took his jeep and instead of going to Manzoor's House started for Shoalshahar to meet with Col Mosharraff, Commanding officer of the 24 East Bengal Regiment who was going towards Kalurghat. Following their discussion, Col Mosharraff agreed to join with Brig Hannan and express allegiance to Dacca.

Col Mosharraff then contacted 38 Light Anti-aircraft Regiment who also agreed to join them. The Anti-aircraft Regiment secured both airport and seaport.

The 24-EBR was mostly transport mounted numbering about 500 to 600 troops. Then they went to Military Academy at Bhatiari for regrouping. From there they sent one company towards Feni and three companies towards cantonment through Bayezi; Bostami Road.

Meanwhile, desertion of troops continued.

Brig Hannan earlier managed to send two officers to Radio Bangladesh, Chittagong station where they posed as supporters of the 'revolutionary council.' They told radio personnel that the whole thing had collapsed and over. Then the announcers ran away in panic and the radio went dead by 10 p.m. which further demoralised those in the cantonment.

The three companies entered the cantonment at 4 a.m. Meantime, the rebel leaders tried to mobilise troops but failed to get any support. Col Mosharraff's companies started their attack.

The rebels left the cantonment accompanied by about 30 to 40 troop for whatever destination they had in mind.

CSO: 4220/7995



PAPER REPORTS NAMES OF NATIONALIST PARTY EXPELLEES

Dacca THE BANGLADESH OBSERVER in English 27 May 91 pp 1, 8

[Text] Twelve more persons were expelled from Bangladesh Nationalist Party (BNP) for "breach of party discipline and anti-people activities."

With this a party source told BSS on Monday night the total number of expelled persons from BNP and its front organisations rose to 18. The party had earlier announced the expulsion of six persons in accordance with the decision taken by the Standing Committee.

The expelled persons are Mr Ibrahim (Azimpur area Chhatra Dal), Mr Manzu, President Tejgaon Chhatra Dal, Mr Ceaser General Secretary Jasimuddin Hall; M. Zafar, Dacca City Chhatra Dal; Mr Akhtaruzzaman Liton Rajshahi City Chhatra Dal; Mr Jamal Mohsin Hall Dacca University; Mr Mukhlesur Rahman General Secretary, Suhrawardy College Students Union; Mr Shoep Member Suhrawardy College Chhatra Dal; Shah Alam Jatiyatabadi Juba Dal Comilla; Mr Jahangir Vice President Tejgaon Regional Branch of Juba Dal Mohammad Shafi Tejgaon Regional Sramik Dal and Mr Azal Milky Mymensingh BNP.

The Standing Committee of Bangladesh Nationalist Party (BNP) On Tuesday expelled five more members from the party for 'breach of party discipline and anti-people activities,' a party source told BSS.

Of the expelled persons two belonging to the Sramik Dal were Mr Mustaque Ahmed General Secretary of Janata Bank Employees Union and Federation and Mr Ruhul Amin, General Secretary of Rupali Bank Branch of the Federation.

The other three belonging to the Chhatra Dal were M.A. Halim General Secretary of Jagannath College Students Union and member of Dacca Metropolitan Chhatra Dal, Istiaq of Jagannath College Chhatra Dal and Shafiq of Suhrawardi College Chhatra Dal.

With Tuesday's action the total number of persons expelled from BNP and its front organisations rose to 23.

Besides, eight more persons have been expelled from the Sramik Dal branches for their involvement in the incident in Sonali Bank in the city, according to a Press release.

They are Mr Baki, Mr Sahbuj, Mr Nurunnabi, Mr Rafiqul Islam, Mr Latif, Mr Zahangir, Mr Tozammel and Mr Nurul Amin, the Press release added.

CSO: 4220/7982

## INDIAN PAPERS' 'COCK AND BULL STORIES' REFUTED

Dacca THE BANGLADESH OBSERVER in English 7 Jun 81 p 12

[Text] Most of the Calcutta based Indian newspapers have a propensity for sensationalism. Objectivity, the essence of journalism has been a victim. Facts and truths have been turned over board and the Calcutta newspapers use wild imagination in producing copies.

JUGANTAR in its June first issue has run a story by its Special Correspondent which says that Awami League chief Sheikh Hasina was arrested near the Indian border on May 31. The report went on to say three more Awami League leaders were arrested along with her while trying to cross border. The paper said Sheikh Hasina had gone to Chittagong.

In another report the paper said the whereabouts of Begum Ziaur Rahman and her two sons were not known. These reports must have been the work of reporters under the influence of opium.

The AMRITA BAZAR PATRIKA an English language daily of Calcutta in its issue of June 2 claimed that Sheikh Hasina was under house arrest. The paper's Delhi correspondent claimed to have based his report on his conversation with Sheikh Hasina's husband Dr Wazed who is living in the Indian capital. The brilliant correspondent has made Mr Sayeed Hussain Sheikh Mujibur Rahman's youngest "son in law." The AMRITA BAZAR PATRIKA claimed that Hasina was brought under military escort from Brahman baria and was taken to the house of her brother in law.

SATYA JUG, a Bengali daily from Calcutta printed a story from its Agartala correspondent saying that Dacca city was in the grip of running gun battle between the rebel and loyal forces. The famed Indian journalist Mr Kuldeep Nayar who was jailed by Mrs Indira Gandhi in a report published in business STANDARD on June first accused RAW (Research and Analysis Wing) a non descript name for New Delhi's foreign intelligence branch for its failure to have a detailed information on what is happening in a neighbouring country. Mr Nayar said RAW had also failed when Sheikh Mujibur Rahman was killed in 1975. Mr Nayar described Sheikh Mujibur Rahman as the "best friend of India." The report said that General Manzur was well known in India. The Indian Generals who have met Manzur say that "he is a brainy fellow."

Mr Nayar's report further added: "New Delhi has plenty of information on Major General Manzur Ahmed who is leading the rebellious forces in Bangladesh. He was Pakistan's Brigade Major of the 8th Infantry of the Sialkot Sector in the 1971 war against India.

He defected within a few days of the beginning of the war and provided useful information to the Indian Army. He was later sent to Bangladesh front.

CSO: 4220/7995

## PROGRESS OF BANGLADESH-PRC FRIENDSHIP REVIEWED

Dacca THE BANGLADESH OBSERVER in English 7 Jun 81 p 4

[Text] Bangladesh and China are bound together by ties of history tradition culture. The two countries have warm and friendly relationship reflecting the hopes and aspiration of their peoples. Sino-Bangladesh friendship is a positive factor of regional as well as world peace and stability.

### Bangladesh-China Relations

The relations between Bangladesh and China have grown steadily since the establishment of diplomatic ties in January 1976. Late President Ziaur Rahman visited China (as CMLA) from January 2 to 6, 1977 which was returned by the visit of Vice-Chairman, Li Xiannian, accompanied by (now Vice-Chairman) and Foreign Minister Huang Hua from March 18 to 21, 1978. The Foreign Minister Prof. Muhammad Shamsul Huq visited China from November 14 to 21, 1979. Late President's state visit to China from July 21 to 24, 1980 can be termed as an important milestone in the history of our bilateral relations. Besides, a number of high level exchanges have taken place during the past five and a half years. The two governments have since concluded agreements on economic and technical cooperation, maritime transport, air services, long-term trade credit and cultural cooperation. Several protocols have been signed within the framework of these agreements. These facts clearly demonstrate the rapid and steady development of bilateral relations between Bangladesh and China in a wide variety of fields and have invested China and Bangladesh ties with a depth and content.

In the international organisations and fora, Bangladesh and China are cooperating with each other and have expressed identical or similar views on major global issues. For instance Bangladesh and China have taken similar positions on two vital international issues of the day namely Afghanistan and Kampuchea.

Late President Ziaur Rahman's successful state visit to China in July last year was an eloquent testimony of the friendship mutual understanding and cooperation which so happily characterise China-Bangladesh relations. In his banquet speeches Chairman Hua Guofeng described the late President as 'an old friend of China' lauded 'the gratifying success' achieved by Bangladesh under the leadership of late President Ziaur Rahman 'in safeguarding her independence and sovereignty and in developing the economy' underscored Bangladesh's positive



role in International affairs which have evoked 'praise and admiration of the people of the world.' The Chairman described the late President's visit as a 'major event' in China-Bangladesh bilateral relations which would add 'a new chapter to the annals of our relations.'

#### **Economic and Trade Relations**

An agreement on economic and technical cooperation between the governments of Bangladesh and China was concluded on January 4, 1977 during our late President's (the Chief Martial Law Administrator) visit to China. Within the framework of this accord, a loan agreement providing for an interest free credit amounting to RMBY 100.00 million (US \$64.93 million) was signed on March 21, 1978 during Chinese Vice-Chairman Li Xiannian's visit to Bangladesh. In accordance with the terms of the loan agreement the credit is to be disbursed by June, 1985.

During the visit of the late president to China in July 1980 a loan agreement was concluded between Bangladesh and China for the purpose of further developing the economic, technical cooperation and friendly relations between the two countries. Under the loan agreement, the Chinese Government extended to the Bangladesh Government an interest free loan RMBY 50.00 million to be disbursed within a period of seven years from January 1981 to December 1987.

#### **Scientific and Technical Cooperation**

A Scientific and Technical Cooperation Agreement between the Government of the People's Republic of Bangladesh and the Government of the People's Republic of China was signed in Dacca on March 21, 1978. Pursuant to this agreement a protocol was concluded in Dacca on March 29, 1979 envisaging 9 projects to be undertaken by the Chinese side for Bangladesh and 5 projects to be undertaken by the Bangladesh side for China.

#### **Shipping Agreement**

An agreement on maritime transport between Bangladesh and China was signed on November 29, 1978. The most important aspect of this agreement is that it provides for equal sharing of foreign trade between the two countries on abolition of nomination of vessels in each case.

#### **Air Transport Agreement**

During the visit of our late President to China in July 1980 an Air Transport Agreement was concluded between the two countries. Details are being worked out for the implementation of the agreement.

#### **Bangladesh and China Bilateral Trade**

A trade and payments agreement was signed between Bangladesh and China on January 4, 1977. Under this agreement 3 annual Barter Protocols were signed in 1977, 1978 and 1979 which provided for exchange of goods worth US\$14.00 million, 20.00 million and 25 million each way respectively. On the 1st March,

1980 a long-term trade agreement was concluded and signed in Dacca between the governments of Bangladesh and China. This agreement covers a period of 5 years from January 1980 to December 1984. The trade and payments agreement signed between the two Governments on January 4, 1977 stands automatically terminated by this agreement from the date it comes into force. During the period of validity of this agreement the value of exports by each of the contracting parties will be approximately 200.00 million and 250.00 million US dollars. The first trade protocol under the long-term trade agreement known as Barter Protocol-IV signed on 1st March 1980 provides for exchange of goods worth US \$31.00 million each way.

The main purpose of concluding this agreement is to have an assured supply of some essential goods like cement, coal, M.S. billets, pig iron, etc. and to get an assured market for our goods like raw jute, jute goods, hides and skins, leather and some other items.

#### Education, Culture and Sports

China has shown a great deal of interest in promoting cooperation with Bangladesh in the field of education, culture and sports as a gesture of friendship and goodwill.

China has been offering scholarship to Bangladesh students since 1977. Last year she offered 6 scholarships and this year 8 scholarships, 6 for undergraduate courses and 2 for language training.

The signing of the agreement on cultural cooperation between the Government of Bangladesh and China on November 17, 1979 during the visit of our Foreign Minister is a positive step forward in developing cooperation in the field of education, culture and sports. The agreement, inter alia provides for promoting bilateral cooperation in the fields of education and research, facilitating and encouraging exchanges of visits by educationists, scientists, literature professors, journalists, artists, art troupes, sports teams and coaches' offering scholarships and other facilities for study, training and research, exchange of books, publications and other materials on education, science culture, and technology, and studying the conditions required for the equivalence of the educational degrees and school certificates of the two countries.

#### Culture

A sixty member cultural troupe led by Mr Shamsul Huda Chowdhury, now Minister for Information and Broadcasting visited China in July, 1977. A children's cultural troupe visited China in November 1979. China participated in the 'Asian Art Bangladesh-1981' exhibition held in Dacca last January. She also took part in the International Film Festival held in Dacca in March 1981.

#### Sports

A twelve member table tennis delegation from Bangladesh visited China in May 1976. A three-member Badminton delegation visited China in March 1977. An eight member delegation participated in the Third Asian Badminton Championship

held in Peking in April 1978. Two junior table tennis players from Bangladesh went to China in December 1980 for a three-month training. A twelve-member Chinese table tennis team visited Bangladesh in February 1977. A fifty member Hangzhou art troupe visited Bangladesh in December January 1977-78. A table tennis team from participated in the International Table Tennis Championship held in Dacca in last January. A swimming team from China took part in the first Asian Swimming Meet in Dacca in June 1980.

#### Press

Mr Abul Hashem, General Manager and Chief Editor of BSS visited China in April 1978. A six member delegation of journalists led by Mr Shamsur Rahman, Editor, DAINIK BANGLA, visited China in April 1980. A press delegation led by Mr Fan Fa Yuan General Editor of NANKING HUA DAILY visited Bangladesh in January 1977.

#### Other Spheres of People-to-People Contact

A six member youth delegation visited China in August 1979. A youth delegation from China visited Bangladesh in December 1980.

CSO: 4220/7995

## HOUSE DISCUSSES '81-82 BUDGET, FINANCIAL SITUATION

### Revenue Budget Presented

Dacca THE BANGLADESH TIMES in English 7 Jun 81 pp 1, 3

[Text] Finance Minister Mr Saifur Rahman on Saturday presented the Taka 2757 crore revenue budget for 1981-82 showing a surplus of 1105 crore Taka of which Tk 965 crore will go to finance the 3126 crore Taka Annual Development Plan.

The ADP for 1981-82 included the 118.95 crore Taka "Food-for-Work" Programme. Its financing will be by foreign aid of 1916 crore Taka revenue surplus of 965 crore Taka, investible surplus of 14 crore Taka of autonomous bodies and debenture earning of 25 crore Taka. But there would yet be a deficit of Taka 95 crore which would be met by railway's revenue surplus of Taka 17 crore and by new fiscal measures accruing Taka 78 crore.

Finance Minister Saifur Rahman said that he was presenting the budget with a heavy heart only after six days of the assassination of President Ziaur Rahman from whom he received all the guidance and support.

Often in choked voice, he said the essential prerequisite for economic progress of a nation depended on social and political stability which faced a crisis in Bangladesh with the death of President Ziaur Rahman. With the support of the armed forces and the people, the crisis has now been over come. However, this could not be said that it would not have adverse effect on the economy of the country, both internally and externally. He appealed for restraint, national solidarity, and political foresight to face the situation.

### Economic Situation

While reviewing the economic situation obtaining in the country, the Minister said that international economic situation had great impact on the national economy. While the unit price of import increased by 13 percent the unit price of export from Bangladesh declined by 19 per cent putting the economy under severe strain.

Therefore, the Minister called for realistic economic approach in determining the economic policy or else the nation would be harmed.



In his review of the national economy he said that the economy made an appreciable advance despite the adverse effects of international economic situation. The gross domestic product (GDP) grew by 7.6 per cent mainly because of contribution by agricultural sector which was aided to a great extent by canal digging programme.

The stock of foodgrains would be about 14 lakh tons by the end of June thereby laying the foundation of a proper food distribution and control system. But this put a pressure on the budget.

He said that industrial productions also maintained its upward spree and three shifts had been introduced in jute mills raising the overall productions.

In the same way production of yarn cement steel chemical products sugar natural gas and other industrial products increased during the period.

He said total size of import for the year was estimated at 2550 million dollars as against the size of 2370 million dollars in the preceding year. However the Minister said the main factor to face the adverse economic impact from outside was the good harvest at home.

Bangladesh he said suffered greatly due to adverse world economy. The average piece of jute fell by 18 per cent. As a result the earning from jute for first nine months was lower than that of the comparative period of the preceding year.

#### Inflation

The Minister said that the rate of inflation in Bangladesh was lower than that of other countries but he added there was no cause for complacency. He said that there should be constant efforts to check inflation as it was the principal enemy of economic progress and social stability.

While there was a need to contain inflation by controlling money supply it was also necessary to bring about structural changes in the economy to raise production. He was critical of those who make slogan-oriented criticism which in fact leads to efforts by common man to raise income only in terms of figures only which really does not help anyone.

The Minister said that the rate of inflation was slower in the first half but it increased in the second half mainly because of increased purchases of foodgrains and larger loans taken by Government to procure oil. Various measures taken in textile and other sectors would improve the situation he said.

However the rate of money supply would continue to rise in the coming year despite all the measures he said. He said the most important economic measure was to increase the rate of bank interest from 9 per cent to 10 and a half per cent.

#### 10-Point Principles

The Finance Minister suggested what he called a 10-point fundamental principles to which attention must be given to ensure unbroken economic development activities in an adverse international economic environment. These are:

--investment must be increased to provide incentive price in procurement of foodgrains to encourage increased production; improved irrigation facilities; greater use of gas to reduce dependence on oil; encouragement to private investment; containment of inflation; raising export; employment oriented development programme; population control; and productive use of foreign aid.

#### 1981-82 Budget

The receipt on the basis of existing taxes has been estimated at 2106 crore Taka in revenue side besides 661 crore Taka to be available from outside the revenue account. Total estimated expenditure in revenue budget is 1662 crore Taka which is about 180 crore Taka more than the revised budget.

He said octroi duty had been withdrawn to remove difficulties in the movement of goods. Medical allowances have been increased from present rate of Taka 45 to Taka 60.

In revenue expenditure the highest amount of 306.51 crore Taka will go for defence followed by Taka 220.91 crore for education. Debt servicing will account for Taka 72.48 crore.

#### Revised Budget

The revised budget for 1980-81 showed a revenue receipt of Taka 2343 crore and expenditure of Taka 1482 crore leaving a surplus of Taka 861 crore as against original surplus of Taka 886 crore.

The ADP was sized down to 2369 crore taka from original size of Taka 2700 crore. The plan was financed by 1333 crore taka of foreign aid and 836 crore taka of domestic savings. However, the 'Food-for-Work' Programme was biggest at Taka 372 crore.

#### ADP 1981-82

The highest allocation of Taka 450.80 crore will be for flood control and water resources followed by Taka 521.21 crore for transportation, Taka 418.10 crore for agriculture, Taka 395.60 crore for industry and Taka 313 crore for electricity in the proposed Annual Development Plan for 1981-82.

The 3015 crore taka ADP will be financed by Taka 1098.86 crore of domestic savings and 1916.14 crore taka in foreign aid. The dependence on aid for financing the ADP was reduced by one per cent to 64 per cent over the revised budget for 1980-81.

#### Food Budget

The total involvement in food budget for 1981-82 is estimated at Taka 1354.83 crore which will consist of Taka 343.79 crore in foreign aid and Taka 1011.06 crore in internal resources. The net expenditure on this account will however be Taka 372.42 crore after accounting for receipt under various heads including sale through the rationing system.

## Fiscal Measures Described

Dacca THE BANGLADESH TIMES in English 7, 8 Jun 81

[7 Jun 81 pp 1, 8]

[Text] The new fiscal measure proposed in the national budget for the year 1981-82 are expected to yield an additional revenue of Taka 78 crore.

While presenting the tax policy and proposals for the coming fiscal year to the Jatiya Sangsad on Saturday, Finance Minister M. Saifur Rahman recalled that late President Ziaur Rahman had worked tirelessly to improve the lot of the people by building a self-reliant economy through a programme of increasing production in fields and factories.

He pointed out that "for the well-being of the people by ensuring adequate supply of locally produced essential consumer goods, the Government is engaged in intense efforts to develop agriculture and there by build up a self-reliant economy." To boost up production in the agricultural sector the Government policy of giving exemption of duty and other facilities for agricultural inputs continued uninterrupted during the course of the current year, he added.

The Finance Minister pointed out that the country had now reached such a stage of industrial development where the local industry requires support to be able to face uneven competition with imported goods through rationalisation of the duty structure.

### Characteristics

The new fiscal measures are characterised more by refixation, rationalisation and administrative readjustments of the existing rates and duties rather than imposition of new ones.

Of the expected yield from the new fiscal measures Tk 50 crore is expected to come from customs duty and Tk 53 crore from excise duty. Income from sales tax is expected to decrease by Tk 25 crore as a result of merger of sales tax and excise duty, thus causing the net effects from the new fiscal measures to settle at Tk 78 crore.

### Dev Surcharge

The Finance Minister called for "maximum sacrifice" to ensure and quicken the process of economic development as he proposed imposition of a development surcharge of one per cent on all dutiable goods.

The new fiscal measures propose to reduce personal income tax by about 14 per cent across the board withdraw the present exemption on gifts in the form of dowry on the occasion of marriage, reduce duties on palm oil, medical equipment, tyres and tubes of automotive vehicles (including motorcycles and scooters), tape recorders, cassettes and two-in-ones and television sets (both coloured

and black & white). Proposals have been made for reducing duties on educational instruments, blended yarn up to 47 counts, storage battery, syrup, squashes and fruit juices, toothpaste, shaving cream, vegetables, non-essential oils, metal containers, wires and cables and advertising materials like diary and calendars.

#### **Increase in Duty**

It has been proposed that duty on alcoholic beverages, coal, electric fans, imported under the Wage Earners' Scheme, quality packed tea, mild steel products and natural gas be increased.

[8 Jun 81 p 7]

[Text] The following is the remaining part of the new fiscal measures proposed in the national budget for the year 1981-82 to the Jatiya Sangsad presented by Finance Minister Mr Saifur Rahman on Saturday.

Proposal has been made to impose duty on wooden furnitures, withdraw the existing exemption on steel furniture, fittings and fixtures and to merge the sales tax on narcotics and liquor with the duty.

The Finance Minister in his speech pointed out that with development efforts in the coming years revenue from excise head will escalate. "It is necessary to improve the excise law, its application and tone up the efficiency of the excise administration" he said.

#### **Excise Stamps**

He pointed out that in order to bring about procedural improvement recently excise stamps have been introduced for collection of duty from footwears' and in future this system will be extended to other appropriate items after due examination and preparation. He said: it is hoped that in near future it will be possible to introduce this stamp system to hotels and restaurants, motor garages and workshops, leather goods and furniture.

#### **Income Tax**

The Finance Minister pointed out that in order to broaden the income tax base, relieve the assessee of the requirement of compliance with the troublesome procedural formalities and help liquidate the backlog of assessments, "it is proposed to introduce the scheme of self-assessment for income tax."

Mr Saifur Rahman pointed out that a considerable evasion of tax took place in the import sector, particularly under the Wage Earners' Scheme.

The Finance Minister announced that losses suffered by any nationalised business concern to the extent of cash subsidy received from the Government shall not be allowed to be adjusted against its profits or carried forward.



## **Tax Holiday**

He proposed to extend the benefit of tax holiday also to new and identifiable expansion units of the existing tax-holiday concerns.

The Finance Minister proposed to raise the general exemption limit of personal income tax from Tk 12,000 to Tk 15,000 in view of the present inflationary situation. The Finance Minister proposed to substantially reduce by liberal exemptions and restructuring of rate schedules the wealth tax, gift tax and estate duty. He announced that the total incidence of income tax and wealth tax should not exceed in any case 60 per cent of a tax payer's total income.

**Salient features of new fiscal measures for 1981-82:**

### **Customs Duty**

1. (a) Proposal has been made to allow full duty refund on imported raw materials to domestic suppliers bidding in international tenders against payment in foreign exchange treating the transaction on the same footing as export.
- (b) Concessionary rate of duty of 20% and no sales tax on the machinery components, accessories and spares of machinery has been proposed to be withdrawn.
- (c) The concessionary rate on packing materials of pharmaceutical industry which are produced or can be produced in the country or have alternative uses has been proposed to be withdrawn.
- (d) Duty on aluminium rod has been proposed to be reduced to 5% from 35% and the duty on finished aluminium conductor steel reinforced and all aluminium conductor has been proposed to be enhanced to 35% from 20% with no sales tax.
- (e) Duty on accumulator battery has been proposed to be raised to 150% from 125% and duty on containers, lids and separators for accumulator batteries has been proposed to be reduced to 15% from 50%.
- (f) Duty on electric fan imported under WES has been proposed to be enhanced to 100% from 75%.
- (g) Duty on fatty-acid palm oil has been proposed to be reduced to 100% from 125%.
- (h) Duty on components and spare parts of domestic sewing machine has been proposed to be reduced from 75% to 35%.
- (i) Duty on gramophone recording blanks has been proposed to be reduced from 300% to 75%.
2. Proposal has been made to reduce the rate of duty on X-ray, medical, surgical, optical, dental and veterinary equipment and instruments to 10% from the existing 15%.

3. (a) Proposal has been made to reduce the extent of concession on raw materials imported under WES from 40% of the effective rate to 25% of the effective rate.

(b) Proposal has been made to exclude snowcem, colour paints, tools and workshop equipments, sand glass and emery, paper, domar batu, prepared glue in retail packing, photographic film in reels, plates and paper, brake-fluid in retail, packing PVC and adhesive tapes, paintbrush all sorts, stapler and steel files, embroidery thread in retail packing, condensed milk in retail packing, nuts and bolts and ballpoint refills, etc. from the concessionary rates for raw materials imported under WES.

(c) Proposal has been made to withdraw the special concessionary rates on refrigerator, deep freezer, gas and electric cooking range, pressure cooker, washing machine, electric filament lamp, cassette recorder and tapes thereof and locks and padlocks etc. when imported under WES.

(d) Proposal has been made to accord concessionary rate of duty for raw materials when imported under WES for M.S. Billets.

4. (a) Duty on cotton fabrics of below 57 counts has been proposed to be refixed at 40 per cent in place of existing 30 per cent, 75 per cent and 150 per cent.

(b) Duty on cotton fabrics like jeans, broken jeans, twill, denim corduroy, sheeting and bed-sheeting of width exceeding 45", furnishing and upholstery in which the percentage of cotton is 85% or more by weight, is proposed to be refixed at 125% from 30 per cent, 75 percent and 150 per cent.

(c) Tariff value on all types of fabrics has been proposed to be enhanced by 10 per cent 15 per cent.

(d) Tariff value on grey fabrics has been proposed to be kept 10 per cent lower than that of white fabrics.

5. (a) Duty on yarn of man-made fibre has been proposed to be reduced to 50% from 60% when imported under normal licence and to 30% from 35% if imported under WES.

(b) Duty on coasters and tankers has been proposed to be reduced to 10% from 15%.

(c) Duty on tyres and tubes of automotive vehicles has been proposed to be reduced to 75% from 100%.

(d) Duty on springs and leaves of automotives vehicles has been proposed to be reduced to 100% from 125%.

(e) Duty on tyres and tubes of motor cycles, motor scooters and auto-rickshaws has been proposed to be reduced to 35% from 50%.

(f) Chains and parts thereof of motor-cycles and motor scooters had been proposed to be reduced to 50% from 125%.

(g) Duty on reeds and wire-heckles has been proposed to be reduced to 50% from 125%.

(h) Duty on computer has been proposed to be reduced to 50% from 100%.

6. (a) Duty on flask has been proposed to be reduced to 50% from the existing 100%.

(b) Duty on advertising materials (diary and calendar) has been proposed to be reduced to 50% from 125% and 150%.

(c) Duty on musical instruments of various kinds including tape-recorder and cassettes thereof has been proposed to be reduced to 75% from 100% and the duty on two-in-one in which radio is an integral part has been proposed to be reduced to 75% from 150%.

(d) Duty on coloured and black and white television has been proposed to be reduced to 50% from 60% and 75%.

(e) Duty on water sterilizer has been proposed to be reduced to 50% from 125%.

7. Duty on educational instruments like slide rule, geometry and biology box, blotting paper, microscope and telescope has been proposed to be reduced to 15% and 50% from 25%, 50% and 100%.

8. (a) Proposal has been made to withdraw the partial exemption on raw materials imported by private dockyards.

(b) Proposal has been made to withdraw the present exemption on television in CKD condition and to levy a duty at 5% ad valorem.

(c) Proposal has been made to withdraw full exemption on ocean-going vessels having capacity of 7,000 DWT and to impose a duty @ 2-1/2% and to reduce the rate of duty on aircraft from 3% to 2-1/2%.

(d) Duty on betelnut has been proposed to be converted to and fixed at 125% from the specific rate of Taka 11.00 per kg.

(e) Duty on alcoholic beverages has been proposed to be enhanced to 125%, 150% and 300% from the existing 100%, 125% and 250%, respectively.

(f) Proposals have been made to marginally enhance the concessions and simplify the Baggage Rules, Transfer of Residence Rules and Tourist Baggage Rules and to fix flat rates of duty on goods not covered by the Baggage Rule.

(g) Duty on coal has been proposed to be enhanced to 7-1/2% from 5%.

9. Proposal has been made to impose a development surcharge @ 1% ad valorem on all dutiable imports.

10. Export duty on tea has been proposed to be reduced from 50 poisha to 25 poisha per pound.

#### Excise Duties

11. Rate of duty on blended yarn up to 47 counts has been proposed to be reduced and exceeding 47 counts has been proposed to be enhanced.

12. Hard waste cotton yarn has been proposed to be exempted from the existing duty of 10 per cent ad valorem.

13. Nylon yarn of three plies having a weight not more than one gramme per metre used in making fishing nets by fishermen has been proposed to be exempted from the existing duty of 35 per cent ad valorem.

14. Duty on storage battery has been proposed to be reduced from 20 per cent to 15 per cent of the retail price.

15. Duty on syrups, squashes, and fruit juices has been proposed to be reduced from 30 per cent to 15 per cent of the retail price.

16. Duty on vegetable nonessential oils has been proposed to be reduced from Taka 7 to Taka 5 per cent.

17. Duty on toothpaste and shaving cream has been proposed to be reduced from 35 per cent to 25 per cent of the retail price.

18. Duty on colour T.V. of a screen size not more than 19" and of a screen size exceeding 19" has been proposed to be reduced from Taka 3,000 and Taka 4,500 to Taka 2,000 and Taka 3,000 respectively.

19. Duty on metal containers and wires and cables has been proposed to be reduced from 30 per cent to 25 per cent ad valorem.

20. It has been proposed to merge the existing excise duty and sales tax on paper, paperboard jute manufactures and to refix a single rate of excise duty on each of these items after giving relief in some cases at the rate of 15 per cent on paper and paperboard 25 percent on jute carpets and Taka 1,250 per ton on Bitumen.

21. Duty on mild steel products has been proposed to be enhanced from Taka 250 to Taka 500 per ton.

22. It has been proposed to marginally increase the existing duty on quality packed tea.

23. Proposal has been made to withdraw existing exemption on steel furniture fittings and fixtures and restore statutory duty of 10 per cent ad valorem and impose duty at the rate of 20 per cent ad valorem on aluminium fixtures and fittings.

24. It has been proposed to impose duty at the rate of 10 per cent ad valorem on wooden furniture.

25. It has been proposed to enhance duty on natural gas from Taka 4.50 to Taka 6.00 per 1000 cft used in the generation of power and manufacture of fertilizer and from Taka 5.00 to Taka 14.00 for other uses and to impose duty at the rate of Taka 6.00 per imperial gallon on condensate obtained in the gas fields.

#### Narcotics and Liquor

26. It has been proposed to merge the sales tax of 20 per cent with the duty on narcotics and liquor.

#### Increased Money Supply

Dacca THE BANGLADESH TIMES in English 7 Jun 81 pp 1, 3

[Text] The supply of money in the country increased from Taka 1691.18 crores in 1980 to 2006.55 crore by March this year.

According to the resume of activities of the financial institutions of the country during 1980-81 released on Saturday, this expansion in money supply was to the tune of 410.86 per cent since June 1972 when money supply amounted to Taka 392.78 crore.

Of the total supply of money Taka 950.71 are outside banks while Taka 1055.84 crore have been shown as demand deposits.

Meanwhile, total deposits in all banks amounted to Taka 2969.16 crore in March this year compared to Taka 2710.52 crore in June last year.

Of the total deposits in March this year Taka 1055.84 crore is in demand deposits while Taka 1913.32 is in time deposits.

During the period under study, organisational and functional developments including changes in the direction of the policies and programmes of financial institutions, helped these institutions in continuing their active participation in the national development effort through greater mobilisation of rural savings, extension of lending operations to a wide range of economic activities.

The credit policy pursued by the Bangladesh Bank during fiscal year 1980-81 was aimed at ensuring deployment of scarce bank resources in the best possible manner for increasing production, employment and real income.

In conformity with this broad objective a credit programme was made having regard to the socio-economic priorities, distributive justice, regional balance and the need for containing money supply within the safe limit.



## Interest Rates

For promoting savings ensuring relative price stability, containing inflation and generating sufficient internal resources to finance development projects, the interest rate policy has been under constant review and revision. The bank rate and the rates of interest on various categories of deposits and lendings were revised once again with effect from October 16, 1980. While the bank rate was increased from 8 per cent to 10.50 per cent, deposits rates that ranged from 4 to 10.25 per cent were increased from 4.50 to 15 per cent. Lending rate for general purposes were increased from 11 to 12 per cent to 12 to 15.50 per cent. However, lending rate for agricultural production including forestry and fishery was set at a concessional rate of 12 per cent. To give impetus to exports the Bangladesh Bank also allowed a concessional rate of interest of 12 per cent. Meanwhile lending rate for loans extended in pursuance of some specified socio-economic objectives were from 11 to 12 per cent to 13 to 14 per cent.

During the period under review convertible foreign exchange reserve held by Bangladesh Bank increased from Taka 403.19 crore to 594 crore.

The Bangladesh taka was devalued on three occasions between July 1980 and March 1981 and revalued once against pound sterling and the exchange rate stood at Taka 37.5720 for one pound sterling by the end of March year compared to Taka 36.2750 for one pound sterling in July 1980.

Important changes in exchange control system took place during 1980-81 up to March 31 which were: quoting export prices of raw jute were allowed to be made in US dollar as well it was made compulsory to settle transactions with the member countries of the Asian clearing union through the Asian Monetary Units (AMU) mechanism with effect from December 1980; and benefit of wage earners' scheme was extended to a) remittances received by writers for their foreign publications; 2) remittance received from the foreign institutions, organisations or firms for consultancy work and c) remittance received on account of pension and other social security benefit.

In agricultural credit Bangladesh Bank continued its liberal credit policy during 1980-81. In order to ensure availability of credit to the farmers at a reasonable rate of interest, the Bangladesh bank provided refinance facilities to the credit agencies at concessional interest rate.

For streamlining the procedure of loan operation under the Special Agricultural Credit Programme (SACP) directives were issued to the banks to be independent of any outside agency for selection of loans to develop direct banker-customer relationship beginning from 1980.

During the period the managers of the respective branches of the banks were also empowered to register mortgage deeds thus exempting the borrowers from paying stamp duty for such deeds who also were freed from going to registration offices for such purpose. The nationalised commercial banks and Bangladesh Krishi Bank were also asked to provide term finance to individual farmers and group farmers to purchase shallow tube well and power pumps.

In addition to the normal and special credit programmes for agriculture whose target totaled Taka 540.95 crore during the year, the Bangladesh Bank to up a few innovative credit programmes on experimental basis to final an appropriate institutional arrangement by which credit facilities are being made available to the disadvantaged groups like the landless farmers, share croppers and tenant farmers.

#### Commercial Banks

Among the nationalised commercial banks, Sonali Bank earned a profit of Taka 17.72 crore during the year 1980 as against Taka 9.62 crore during the preceding year. During 1980 the expenditure of the bank also rose to Taka 82.28 crore as against Taka 51.47 in 1979.

The net profit of Janata Bank during 1980 has been estimated at Taka 1087 crore compared to Taka 9.65 crore during 1979.

Pubali Bank earned net profit of Taka 3.61 crore during 1980 compared to Taka 3.16 crore during the preceding year.

The net profit of Uttara Bank stood at Taka 3.06 crore in 1980 as against Taka 2.09 crore during 1979.

Rupali Bank earned profit of Taka 7.18 crore in 1980 compared to Taka 4.38 crore during the preceding year.

#### GDP Growth Rate

Dacca THE BANGLADESH OBSERVER in English 7 Jun 81 pp 1, 12

[Text] The growth rate of the gross domestic products (GDP) for the current fiscal year has been estimated at 7.6 per cent according to the Economic Survey issued by the Ministry of Finance on Saturday.

The GDP growth rate is 0.4 per cent higher than the projected growth rate of 7.2 per cent for the fiscal year 1980-81.

The contribution of the agricultural sector to the current GDP will be significant. The growth rate of the agricultural sector during the current fiscal year has been estimated at 8.81 per cent which is 7.9 per cent higher than the growth rate of the previous fiscal year (1979-80).

The agricultural sector's contribution to the GDP will be 55.26 per cent. The per capita income will also register a rise by four per cent bringing it to Taka 775.

The contributions of the other sectors to the GDP during the current fiscal year will be industrial sector (9.23 p.c.), power and gas (16.05 p.c.), bank and insurance (7.47 p.c.), administrative sector (7.66 p.c.), commerce (4.50 p.c.) and transport (5.23 p.c.).

The foodgrain production registered a rise by 16.47 lakh tons over the figure of the previous fiscal year. The foodgrain production during the current year has been estimated at 149.96 lakh tons. The last year's production figure was 133.49 lakh tons.

The import of foodgrain during the current fiscal year will be 11 lakh tons which is 16.32 lakh tons lower than the import figure of the fiscal year 1979-80.

The economic survey said adequate stock of foodgrains in Government godowns and effective distribution system has stabilised the price of foodgrains in the market.

The foreign assistance commitment during the current fiscal year was 1904 million dollars of which 1255 million dollars is expected to be disbursed. Of 1255 million dollars 710 million will come as grant and 545 million dollars will come as loan. The total foreign assistance commitment from 1971 to 1980 stood at 9221.1 million dollars of which only 6593.4 million dollars was disbursed. [as published]

The debt service liability during the current fiscal year has been estimated at 90 million dollars which is 11.40 per cent of the estimated export earnings of the current year.

The balance of payment deficit this year will be Taka 2,763.50 crore. The export earnings this year will be Taka 1250.90 crore while the import bill will be Taka 4,014.40 crore.

#### Annual Development Program

Dacca THE BANGLADESH OBSERVER in English 7 Jun 81 pp 1, 12

[Text] The Annual Development Programme (ADP) for 1981-82 has been sized at Taka 3014 crore taka registering an increase of about 27.27 per cent in total development expenditures over the level of Taka 2369 crore under the revised ADP for 1980-81.

The growth rate of the Gross Domestic Product (GDP) has been projected at 7.2 per cent for 1981-82 as against the estimated GDP growth of 7.6 per cent in 1980-81.

Besides the ADP, the development expenditures to be involved in different activities covered under the Food for Works Programme (FWP) in the form of foodgrains value for labour wages have been projected at Taka 111.32 crore in 1981-82 as against the revised FWP of Taka 105.21 crore for 1980-81.

The ADP at Taka 3013 crore for 1981-82 is to be financed to the extent of Taka 1000 crore from project aid Taka 850 crore from nonproject assistance and Taka 66.14 crore from the sale proceeds of foodgrain assistance under the PL Title III, with external assistance in various forms totalling Taka 1916 crore the overall dependence on foreign aid for financing the ADP will be about 64

per cent. The share of domestic resources at Taka 1098.86 crore as part of the resource mobilisation for the financial support of the ADP will thus be about 36 per cent.

The revised ADP for 1980-81 at Taka 2369 crore has been funded to the tune of Taka 800 crore from project aid Taka 700 crore from non project assistance and Taka 33 crore from the sale proceeds of food grains assistance under the PL Title III the overall external assistance totalling 1533 crore for the revised ADP, the domestic resources contributed about Taka 836 crore for its funding. The share of foreign aid and domestic resources for financing the revised ADP in 1980-81 stood respectively at 65% and 35%. The revised ADP estimates shows shortfall in various forms of foreign assistance in the anticipated levels of the original ADP for the year which estimated project assistance flows of Taka 979.79 crore, commodity assistance flows of Taka 780 crore and sale proceeds of food grains under PL Title III at Taka 162.23 crore.

The domestic resource component for funding the ADP in 1981-82 is to be mobilised to the tune of Taka 1059.86 as surpluses from the revenue Budget the accumulated saving of Chittagong Port Trust and Petro Bangla and the debenture sale of some autonomous bodies will provide Taka 25 crore and Taka 14 crore respectively for financing the ADP for the coming year.

The sectoral allocation pattern under the ADP for 1981-82 shows the priority for the agricultural and flood control & water resources sectors which will together account for about Taka 868 crore which is about 28.7 per cent of the total development outlay for the year. The following is the sector wise break down of the ADP allocations for 1981-82.

(Taka in crores)

1. Agriculture--418.10
2. a) Rural development & institutions--95.00  
b) Development Boards--32.50
3. Flood control & water resources--450.80
4. Industries--395.60
5. Power--313.20
6. Natural resources--127.90
7. Scientific and Technical research--29.35
8. Transport--421.21
9. Communications--101.30
10. Physical planning & housing--197.55
11. Education & Culture--134.70
12. Public administration--13.80
13. Health--84.09
14. Population control & Family Planning--94.40
15. Social Welfare, Women Affairs & Youth Development--35.40
16. Labour and manpower--20.10
17. Reserve--50.00

The Planning Minister, Dr Fasihuddin Mahtab, in his preface the ADP for 1981-82 noted that special attention had been focussed on agriculture irrigation and



rural development in making the sectoral allocation under the ADP. Besides population control, primary education and mass literacy programmes have been given special support under it. The growth target for the agricultural sector has been fixed at 6.4 per cent while that of the industries sector at 10.8 per cent in 1981-82. The average growth rate of other sectors within the economy will be 7.2 per cent in the coming fiscal year he anticipated.

### Cost-of-Living Index

Dacca THE BANGLADESH OBSERVER in English 7 Jun 81 pp 1, 12

[Text] The cost of living index for middle class people in Dacca rose to 617 in March, '81 from 555 in June, '81 at constant 1969-70 prices (1969-70=100). This showed an average inflationary rate of 11.17 per cent over the nine-month period under review.

The Dacca middle class cost of living index is considered as a broad indicator of price trends in the country.

According to the Bangladesh Economic Survey (1980-81), the rise in the prices of food items the increase in the import costs of petroleum, edible oil, wheat, billet, fertiliser, cement and other raw materials, the hike in the supply procurement prices or rates of internal foodgrains fertiliser, paper, newsprint, electricity, water, petrol and petroleum products, etc., and the excess liquidity owing to recourse to more borrowings from the banking system to build up emergency reserve of low-grade jute and to foot the inflated import bill on account of rise in the prices of POL (petroleum, oil and lubricants) in the international market were responsible for the rise in the cost of living index.

The economic survey does not provide the picture relating to price trends in the economy after March, '81. The Finance Minister, Mr Saifur Rahman, stated in his budget speech that the annual inflationary price trends recorded steady uptrends from the month of April, '81. The immediate cause of the uptrends in prices, the Finance Minister maintained, was dislocations caused to the production and supply of many essential commodities due to off-season heavy rainfall. He stated that the Government allowed the duty-free import of some essential commodities following this to improve the supply position in the economy.

Meanwhile, the Bangladesh Economic Survey shows that the money supply (currency-in-circulation plus demand deposits) stood on April 24, '81 at Taka 2036 crore as against Taka 1691.18 crore on June 30, '80, registering an increase of 20.39 per cent over the period under consideration. The broad money (currency-in-circulation plus demand deposits plus time deposits) stood at Taka 4008 crore on April 21, '81 as against Taka 3430 crore on June 30, '80 recording an increase of 16.84 per cent over the period under review.



## Tax Proposals Listed

Dacca THE BANGLADESH OBSERVER in English 7, 8 Jun 81

[7 Jun 81 pp 1, 12]

[Text] A. Customs Duty:

1. (a) Proposal has been made to allow full duty refund on imported raw materials to domestic suppliers bidding in international tenders against payment in foreign exchange treating the transaction on the same footing as export.

(b) Concessionary rate of duty of 20% and no sales tax on the machinery, components, accessories and spares of machinery has been proposed to be withdrawn. (+ Taka 1572 lakhs).

(c) The concessionary rate on packing materials of pharmaceutical industry which are produced or can be produced in the country or have alternative uses has been proposed to be withdrawn.

(d) Duty on aluminium rod has been proposed to be reduced to 5% from 35% and the duty on finished aluminium conductor steel reinforced and all aluminium conductor has been proposed to be enhanced to 35% from 20% with no sales tax. (-Taka 9 lakhs).

(e) Duty on accumulator battery has been proposed to be raised to 150% from 125% and duty on containers, lids and separators for accumulator batteries has been proposed to be reduced to 15% from 50% (+Taka 13 lakhs).

(f) Duty on electric fan imported under WES has been proposed to be enhance to 100% from 75% (+ Taka 10 lakhs).

(g) Duty on fatty-acid palm oil has been proposed to be reduced to 100% from 125%.

(h) Duty on components and spare parts of domestic sewing machine has been proposed to be reduce from 75% to 35%.

(1) Duty on gramophone recording blanks has been proposed to be reduced from 300% to 75%.

2. Proposal has been made to reduce the rate of duty on X-ray, medical surgical, optical, dental and veterinary equipments and instruments to 10% from the existing 15%. (-Taka 17 lakhs).

3. (a) Proposal has been made to reduce the extent of concession on raw materials imported under WES from 40% of the effective rate to 25% of the effective rate. (+ Taka 80 lakhs).

(b) Proposal has been made to exclude snowcem colour paints, tools and workshop equipments, sand, glass and emery paper, domar batu, prepared glue in retail packing, photographic film in reels, plates and paper, brake-fluid in retail

packing PVC and adhesive tapes, paint brush all sorts, stapler and steel files, embroidery thread in retail packing, condensed milk in retail packing, nuts and bolts and ball-point refills, etc., from the concessionary rates for raw materials imported under WES. (+ Taka 13 lakhs).

[8 Jun 81 p 6]

[Text] Following is the remaining part of tax proposals made in the National Budget presented in the Jatiyo Sangsad by Finance Minister Mr Saifur Rahman on Saturday.

(c) Proposal has been made to withdraw the special concessionary rates on refrigerator, deep-freezer, gas and electric cooking range, pressure cooker, washing machine, electric filament lamp, cassette recorder and tapes there of and locks and padlocks, etc. when imported under WES. (+ Taka 13 lakhs).

(d) Proposal has been made to accord concessionary rate of duty for raw materials when imported under WES for M.S. Billets. (-Taka 10 lakhs).

4(a) Duty on cotton fabrics of below 57 counts has been proposed to be refixed at 40% in place of existing 30%, 75% and 150%. (+Taka 50 lakhs).

(b) Duty on cotton fabrics like jeans, broken jeans, twill, denim, corduroy, sheeting and bed-sheeting of width exceeding 45", furnishing and upholstery in which the percentage of cotton is 85% or more by weight is proposed to be refixed at 125% from 30%, 75% and 150%. (+Taka 65 lakhs).

(c) Tariff value on all types of fabrics has been proposed to be enhanced by 10%-15%. (+ Taka 410 lakhs).

(d) Tariff value on grey fabrics has been proposed to be kept 10% lower than that of white fabrics.

5. (a) Duty on yarn of manmade fibre has been proposed to be reduced to 50% from 60% when imported under normal licence and to 30% from 35% if imported under WES. (-Taka 190 lakhs).

(b) Duty on coasters and tankers has been proposed to be reduced to 10% from 15%. (- Taka 10 lakhs).

(c) Duty on tyres and tubes of automotive vehicles has been proposed to be reduced to 75% from 100%. (-Taka 173 lakhs)

(d) Duty on springs and leaves of automotive vehicle has been proposed to be reduced to 100% from 125%. (-Taka 15 lakhs).

(e) Duty on tyres and tubes of motor cycles, motor scooters and auto-rickshaws has been proposed to be reduced to 35% from 50%. (-Taka 53 lakhs).

(f) Chains and parts thereof on motorcycles and motor scooters has been proposed to be reduced to 50% from 125%. (-Taka 5 lakhs).

(g) Duty on reeds and wireheals has been proposed to be reduced to 50% from 125%. (-Taka 10 lakhs).

(h) Duty on computer has been proposed to be reduced to 50% from 100%.

6. (a) Duty on flask has been proposed to be reduced to 50% from the existing 100%.

(b) Duty on advertising materials (diary and calendar) has been proposed to be reduced to 50% from 125% and 150%.

(c) Duty on musical instruments of various kinds including tape-recorder and cassettes thereof has been proposed to be reduced to 75% from 100% and the duty on two-in-one in which radio is an integral part has been proposed to be reduced to 75% from 150%. (-Taka 20 lakhs).

(d) Duty on coloured and black and white television has been proposed to be reduced to 50% from 60% and 75%. (-Taka 10 lakhs).

(e) Duty on water sterilizer has been proposed to be reduced to 50% from 1.5%.

7. Duty on educational instruments like slide rule, geometry and biology box, blotting paper, microscope and telescope has been proposed to be reduced to 15% and 50% from 25%, 50% and 100%. (-Taka 42 lakhs).

8. (a) Proposal has been made to withdraw the partial exemption on raw materials imported by private dock-yards. (+ Taka 10 lakhs).

(b) Proposal has been made to withdraw the present exemption on television in CKD condition and to levy a duty @5% ad valorem.

(c) Proposal has been made to withdraw full exemption on ocean-going vessels having capacity of 7,000 DWT and to impose a duty @ 2-1/2% and to reduce the rate of duty on aircrafts from 3% to 2-1/2%. (+ Taka 50 lakhs).

(d) Duty on betelnut has been proposed to be converted to and fixed at 125% from the specific rate of Taka 11.00 per kg. (+Taka 50 lakhs).

(e) Duty on alcoholic beverages has been proposed to be enhanced to 125%, 150% and 300% from the existing 100%, 125% and 250% respectively.

(f) Proposals have been made to marginally enhance the concessions and simplify the Baggage Rules, Transfer of Residence Rules and Tourist Baggage Rules and to fix flat rates of duty on goods not covered by the Baggage rule.

(g) Duty on coal has been proposed to be enhanced to 7-1/2% from 5%. (+Taka 62 lakhs).

9. Proposal has been made to impose a development surcharge @ 1% ad valorem on all dutiable imports. (+Taka 3,350 lakhs).

10. Export duty on tea has been proposed to be reduced from 50 poisha to 25 poisha per pound (-Taka 200 lakhs).

#### B. Excise Duties:

11. Rate of duty on blended yarn up to 47 counts has been proposed to be reduced and exceeding 47 counts has been proposed to be enhanced. (-Taka 20 lakhs).

12. Hard waste cotton yarn has been proposed to be exempted from the existing duty of 10% ad valorem. (-Taka 5 lakhs.)

13. Nylon yarn of three plies having a weight not more than one gramme per metre used in making fishing nets by fishermen has been proposed to be exempted from the existing duty of 35% ad valorem. (-Taka 35 lakhs.)

14. Duty on storage battery has been proposed to be reduced from 20% to 15% of the retail price. (-Taka 10 lakhs).

15. Duty on syrups, squashes and fruit juices has been proposed to be reduced from 30% to 15% of the retail price (-Taka 5 lakhs).

16. Duty on vegetable non essential oils has been proposed to be reduced from Taka 7 to Taka 5 percent. (-Taka 6 lakhs).

17. Duty on toothpaste and shaving cream has been proposed to be reduced from 35% to 25% of the retail price (-Taka 10 lakhs).

18. Duty on colour T.V. of a screen size not more than 19" and of a screen size exceeding 19" has been proposed to be reduced from Taka 3,000 and Taka 4,500 to Taka 2,000 and Taka 3,000 respectively. (+Taka 10 lakhs).

19. Duty on metal containers and wires and cables has been proposed to be reduced from 30% to 25% ad valorem. (-Taka 156 lakhs).

20. It has been proposed to merge the existing excise duty and sales tax on paper, paperboard, jute manufactures and to refix a single rate of excise duty on each of those items after giving relief in some cases at the rate of 15% on paper and paperboard, 25% on jute carpets and Taka 1.250 per ton on Bitumen (+2301 lakhs).

21. Duty on mild steel products has been proposed to be enhanced from Taka 250 to Taka 500 per ton. (+ Taka 500 lakhs).

22. It has been proposed to marginally increase the existing duty on quality packed tea. (+Taka 15 lakhs).

23. Proposal has been made to withdraw existing exemption on steel furniture, fittings and fixtures and restore statutory duty of 10% ad valorem and impose duty at the rate of 20% ad valorem on aluminium fixtures and fittings. (+Taka 25 lakhs).

24. It has been proposed to impose duty at the rate of 10% ad valorem on wooden furniture. (+Taka 25 lakhs).

25. It has been proposed to enhance duty on natural gas from Taka 4.50 to Taka 6.00 per 1000 cft. used in the generation of power and manufacture of fertilizer and from Taka 5.00 to Taka 14.00 for other uses and to impose duty at the rate of Taka 6.00 per imperial gallon condensate obtained in the gas fields. (+Taka 2471 lakhs).

#### C. Narcotics and Liquor:

26. It has been proposed to merge the sales tax of 20% with the duty on narcotics and liquor. (+Taka 200 lakhs).

(+Taka 5300 lakhs).

#### Net Effects of the Fiscal Measures

	Increase (+)	Decrease (-)	(Taka in lakhs) increase Net
1. Customs Duty	5000	--	5000
2. Excise Duty	5300 (including 2500 as a result of merger of excise duty and sales tax)	--  2500	5300  --
3. Sales tax		(as a result of merger of sales tax with excise duty)	
	<hr/> 10300	<hr/> 2500	<hr/> 7800
		Net effect (+)	7800



## Foreign Aid for Development

Dacca THE BANGLADESH TIMES in English 7 Jun 81 pp 1, 8

[Text] Foreign aid constitutes about 64 per cent of the total development expenditures earmarked for the fiscal year, 1981-82, the aid component being less by one per cent than that of the preceding year.

Of the Taka 3015 development expenditure for 1981-82, Taka 1916 crore will be met from foreign aid and Taka 1004 crore from internal resources.

In the Taka 2369 crore revised ADP of the preceding year (1980-81) Taka 1533 crore was from foreign aid while Taka 836 crore was available as surplus from the revenue budget.

Finance Minister, Mr Saifur Rahman told the Jatiya Sangsad that the ADP had given emphasis on the priority sectors like increasing food production by way of developing agriculture, irrigation and village infrastructure, population control, primary and mass education.

In making allocations in the ADP in other sectors attention had been given to basic needs. Special emphasis had been given on projects which are in keeping with the aims of the Second Five Year Plan, the near-completed projects, projects which could give quicker production and those for which foreign aid had been received, he said.

He said that of the Taka 95 crore deficit in the ADP, Taka 17 crore would be met by increased fare and other charges from railway.

Emphasising the importance of foreign aid for development the Finance Minister said even more wealthy developing countries than Bangladesh could not undertake development programmes without foreign assistance.

He said that the developing countries could not even meet the daily basic necessities from their import earnings, not to say about meeting the needs of their development programmes.

He said that the oil import bills alone would swallow up 60 per cent of the export earnings of Bangladesh during the current fiscal year. Need for foreign aid in such situation was unavoidable, he said.

The Finance Minister said that Bangladesh was pursuing a cautious policy in matter of utilising foreign aid. While the per capita use of foreign aid would amount to ten dollars in Bangladesh during the current year, the per capita use of foreign aid by Sri Lanka, Tanzania and Egypt would stand at 16 dollars, 38 dollars, and 60 dollars respectively, he said.

Mr Saifur Rahman said, about 50 per cent of what Bangladesh accepted as foreign help were grants and the rest loan. Apart from this, most of our foreign loans were long term with exemptions, he added.

CSO: 4220/7995

TEXT OF GOVERNMENT WHITE PAPER ON SOUTH TALPATTY

Dacca THE BANGLADESH OBSERVER in English 27 May 81 pp 6,7

[Text] The following is the text of the white paper on South Talpatty.

1. Claim over title to the newly emerged Island(s) in the Estuary of the Border River Hariabhanga:

The ownership of the newly emerged island(s) (New Moore/South Talpatty/Purbasha) in the estuary of the border river Hariabhanga between Bangladesh and India has been claimed both by Bangladesh and India as forming part of their respective territories.

The boundary between Bangladesh and India in this area is the midstream of the main channel of the border river Hariabhanga. The main channel of the Hariabhanga river flows to the west of the newly emerged island, South Talpatty, clearly making it an integral part of Bangladesh territory.

2. Background:

The island was formed in the estuary of the border river Hariabhanga and the internal river Raimangal most probably after the cyclone and tidal bore of 1970, it being a new land rising initially as a low-tide elevation. The island is known as South Talpatty Island in Bangladesh. It is of U shaped formation with the eastern arm elongated towards the north and had an approximate area at low-tide of about 2 sq. miles in 1978, which may have further grown in size in the meantime. It was uninhabited, though fishermen from the Bangladesh mainland were observed on the island seasonally during the dry season. The Indian authorities called it "New Moore" Island and claim to have notified the British Admiralty sometime in 1971 about the location of this island. This was at a time when the entire people of Bangladesh were engaged in a life and death struggle during its war of independence. On achieving independence Bangladesh was faced with the equally challenging task of rehabilitation and national reconstruction. At no time during this period the Government of India drew the specific attention of the Government of Bangladesh to their claim upon this island as required under international law and practice despite the close and friendly relations existing between the two countries.

The Government of Bangladesh directly upon receiving from the Bangladesh Navy in late December 1978, certain data regarding the newly formed island in the estuary of the border river Hariabhanga held a series of meetings with concerned authorities to examine the data carefully and in depth. When the government was fully satisfied that the data submitted by the Navy showed that the island in question fell within the territory of Bangladesh, since the main stream of the Hariabhanga river appeared to flow to the west of the Island, the matter was taken up with the Government of India.

### 3. Joint Survey:

When the Indian Prime Minister visited Bangladesh from 16-18 April, 1979 the President of Bangladesh took up the matter with him. In the interest of good neighbourly relations Bangladesh proposed a joint survey to dispel any misgivings about the actual location and rightful ownership of the Island and thus to peacefully settle this problem as between two neighbours. In demonstrating the friendly relations existing between the two countries and in a spirit of understanding the Indian Prime Minister in his meeting with the Bangladesh President agreed to the Bangladesh proposal for a joint survey to determine the location and ownership of the island. This commitment to a joint survey was confirmed by the Indian Prime Minister when the Deputy Prime Minister of Bangladesh called on him in New Delhi in the second week of May, 1979. Since then the Indian side has been repeatedly requested to expedite the proposed joint survey. Bangladesh High Commissioner in New Delhi in his message dated 30 May, 1980, informed Dacca that he had three meetings in the Indian External Affairs Ministry and that the Indian side had agreed on the necessity of a joint survey but wanted a little more time to study this case more thoroughly before taking up a joint survey.

### 4. Indian Note Verbale on Indian claim over the New Moore/South Talpatty Island (9 April, 1980):

In a Note Verbale dated 9 April, 1980 the Indian side forwarded some documents including a satellite photograph of the estuary and claimed that the island belonged to them on the following grounds:

- (a) "the deep water channel extending along the Hariabhanga river lies to the east of the New Moore Island and no channel lies to the west of the New Moore Island";
- (b) "the New Moore Island is situated on the natural prolongation of the Indian bank i.e. the Western Bank of the Hariabhanga river";
- (c) the British Admiralty Chart No 859 showed "New Moore" Island as part of India.

### 5. Rejection of Indian Claim by Bangladesh (17 April, 1980)

In a Note Verbale dated 17 April, 1980, Bangladesh rejected India's claim on the following grounds:

i. that the satellite photograph forwarded by the Indian Government clearly showed that the border river Hariabhanga and the internal river Raimangal have their distinct flows till the two rivers meet the Sea. The satellite photograph also clearly confirmed that the border river Hariabhanga flows to the west of South Talpatty (New Moore) island.

ii. that it was not understood what was meant by the Indian statement that the "New Moore Island" is situated on the natural prolongation of the Indian Bank, i.e. the Western Bank of the Hariabhanga river since the entire Continental Shelf in the Bay of Bengal is a natural prolongation of the adjacent landmass in both Bangladesh and India and moreover, the satellite photograph forwarded by India also clearly showed that the border river Hariabhanga flows to the west of South Talpatty (New Moore) island. The extent and depth of this channel could only be ascertained by joint survey.

iii. that the Indian claim on the basis of the Admiralty Chart No 859 was irrelevant and invalid for the following reasons:

(a) that the location of South Talpatty (New Moore) island was included in the Chart because of the unilateral Indian Government Notification of 1971 and not due to any survey actually undertaken by the British Admiralty. The last British Survey was made in 1928. The Pakistan Government survey of the Sundarban areas in 1953--58 did not cover the border areas. There is no record of any joint survey of the area ever having been made.

(b) that this was a Navigational Chart for plotting of ship tracks during ocean passage of ships only and did not as a rule give exact information regarding coastal areas as this was not necessary for safe and convenient oceanic navigation. Indeed, navigational books specifically forbid any reliance on or reference to these charts for such information. Besides, the area was not frequented by ocean-going ships which would have necessitated updating coastal information in the navigational books and maps.

(c) that South Talpatty/New Moore island was included in the green-shaded area of the Admiralty Chart. These areas were shaded green only to serve as a general warning to a mariner that he was travelling below a certain depth. According to this Chart no passage for coastal ships would seem possible from Chittagong to Narayanganj and vice versa through Sandwip and Hatiya channels whereas, it was well-known that ships of 12 to 14 feet depth plied in this route. It was obvious, therefore, that the British Admiralty information on coastal areas was incorrect and not updated.

#### 6. Basis of Bangladesh Claims:

Bangladesh, in the same Note Verbale forwarded to the Indian Government on 17 April, 1980 a Satellite Photograph (landsat image) which clearly showed the flows of water and the channel formation in the mouth of the border river Hariabhanga and the internal Bangladesh river Raimangal. An analysis of the imagery showed that the main flow of the border river Hariabhanga turned a little to the right near the mouth and entered the Bay of Bengal keeping South Talpatty island to its left. In other words the Hariabhanga flows to the West of South Talpatty



island. This was also clear from the flow of the suspended sediments which have made a similar turn as the sediment suspension entered the Bay.

It was pointed out that the clear channel to the east of the South Talpatty island could also be seen in the picture as the combined flow of the Raimangal and Jamnua rivers which were Bangladesh internal waters. The sediment flow that had covered the South Talpatty island from both sides was also clearly seen in this picture as suspended sediments coming from the Raimangal river.

In the light of these facts and the documents available to Bangladesh it was quite clear that the island in question fell within the territory of Bangladesh. Though the weight of evidence was clearly in favour of Bangladesh, with a view to an amicable settlement of the question of the rightful ownership of these islands and in a spirit of good-neighbourliness, Bangladesh proposed a joint survey of the area.

#### 7. Question of the second Island:

In March 1980, the Indian daily ANANDA BAZAR PATRIKA and other West Bengal (India) newspapers carried news mentioning the emergence of a second island. Several news items were published according to which another island on the estuary of the Hariabhanga river was reportedly detected by the Naval Hydrographic Survey of India sometime in 1975. It was reported that the state government of West Bengal called this new island "Purbasha." From the description of the location of this new island given by the West Bengal press, it appeared that the island was situated very near to the South Talpatty island on its western side.

Satellite imageries available in Bangladesh indicate the presence of a low-tide elevation conforming to the location mentioned in the West Bengal (India) press of the "Purbasha" island. The satellite photograph sent by the Indian Ministry of External Affairs under their Note of 9 April, 1980 also showed a similar low-tide elevation in the mid-channel of the border river Hariabhanga.

Indian Government subsequently denied that there was indeed, a second island and adopted the position that New Moore and Purbasha were one and the same island. Bangladesh Government repeatedly stated that all misgivings regarding the location of the newly emerged islands in the estuary of the border river Hariabhanga and their rightful ownership could be easily dispelled by a physical joint survey of the area. This would also remove existing confusion over the names of the islands and establish facts on the ground regarding the number of islands, their location and ownership.

#### 8. Commitment for peaceful and early settlement reaffirmed by Foreign Ministers of Bangladesh and India (18 August, 1980):

In August 1980, during the visit of the Indian External Affairs Minister to Dacca, all outstanding problems between the two countries including the implementation of the 1974 Land Boundary Agreement, the delimitation of the Maritime Boundary, the long-term augmentation of the dry season flow of the Ganges at Farakka and the disputed island(s) were discussed in a cordial and friendly atmosphere. As regards the island(s) the following Agreement was reached as



mentioned in the Joint Press Statement of 18 August, 1980 at the conclusion of the Indian Minister's visit:

Para 9: "The question of the newly emerged island(s) (New Moore/South Talpatty Purbaaha) at the estuary of the border river Hariabhanga was also discussed. The two sides agreed that after study of the additional information exchanged between the two Governments further discussion would take place with a view to settling it peacefully at an early date."

Exchange of additional information and further discussion envisaged in this Agreement were intended to pave the way to the joint survey agreed upon at the Summit level. This agreement, therefore, complemented and in no way negated the earlier agreement reached at the Summit level for a joint survey during the visit of the Indian Prime Minister in April, 1979.

#### 9. Indian Side Yet To Supply Additional Information:

While Bangladesh side supplied the Indian side with data including satellite imageries clearly establishing Bangladesh's claim to these island(s) the promised additional information from the Indian side is still being awaited despite repeated reminders. On the other hand, curiously enough, India has addressed a query regarding the location of the 'second' island in the estuary of the Hariabhanga river claimed by Bangladesh. In the Bangladesh reply to this query it was pointed out that the determination of the exact location of this island further underlined the need for a joint survey.

#### 10. Statement in Parliament:

Meanwhile, the Indian External Affairs Minister in response to questions raised in the Indian Parliament on various occasions in the past year had repeatedly asserted that India's title to the New Moore island was clear, but at the same time he added that the matter was under discussion with Bangladesh and hoped that the decision would go in their favour. It will appear from an analysis of these statements (i) that the island(s) in question were a disputed area, (ii) that the question of ownership was under consideration by the two governments, and (iii) that the final decision about the ownership of the island(s) would depend on the outcome of discussion now underway. However, Bangladesh has never accepted the Indian claim on South Talpatty/New Moore island and has consistently made it known to the Indian Government that according to all available evidence South Talpatty island was an integral part of Bangladesh territory. Bangladesh Foreign Minister explained at length the situation in the Bangladesh Parliament on 2 April, 1980 (Call Attention Motion), 9 and 25 July, 1980, 29 December, 1980 (Adjournment Motion) and on 22 April, 1981, pointing out that according to the available information Bangladesh was the owner of these island(s) and that the Government of Bangladesh was continuing its efforts to establish Bangladesh ownership over the island(s) through peaceful negotiations according to the agreements reached between the two governments.

11. Provocative situation created by despatch of Indian Naval Ships to the area:

In the circumstances, the Government of Bangladesh was taken naturally by surprise when an armed Indian naval ship "INS SANDHAYAK" with one helicopter and some personnel in Khaki uniform on board was observed in between the Clump Island in Bangladesh territory and South Talpatty Island on 9 May, 1981. This ship went to South Talpatty Island and landed some of these uniformed personnel. Some huts and tents, one aerial mass and one pole bearing Indian flag were also seen erected on the island.

Bangladesh Note Verbale of 11 May, 1981.

A Bangladesh navy boat on a routine patrol in Bangladesh waters first sighted the Indian Navy ship in the vicinity of South Talpatty Island on the afternoon of 9 May, 1981. Having been satisfied about the objectionable activities of the Indian Naval ship, Bangladesh Navy reported the matter to the Government of Bangladesh after careful study of the report, decided to take diplomatic action and lodged a strong protest in writing both in Dacca and New Delhi on 11 May, 1981, against such unwarranted, unilateral and illegal action by the Government of India in violation of the Agreements reached between the two governments for a peaceful solution of the problem at an early date. Such action was also a violation of Bangladesh territory since the Indian ship was positioned in the estuary of the Raimangal river, an internal river of Bangladesh. The Government of India in this note was requested to withdraw the ship from Bangladesh territorial waters and also to remove all men and materials forthwith from the disputed island which had hitherto remained unoccupied.

Though the situation was highly provocative, Bangladesh Government exercised great restraint and took recourse to diplomatic action because of its firm belief in pursuing a policy of good neighbourliness and peaceful resolution of disputes through dialogue and negotiations. According to normal diplomatic practice, the Government of Bangladesh waited for the Indian response.

Indian Replies: Note Verbale dated 13 May and 14 May delivered on 15 May 1981

The Government of India delivered its reply on 15th May to the Bangladesh Deputy High Commissioner in New Delhi through two Note Verbales although these were dated 13 and 14 May, respectively, asserting their claim to 'New Moore' Island as a part of Indian territory and accusing Bangladesh Navy of provocative activities, apparently with a view to justifying its illegal actions.

In an Aide Memoire handed over to the Bangladesh Deputy High Commissioner in New Delhi on 13 May, 1981, the Government of India admitted that the Indian Navy Ship "Sandhayak" was anchored North-East off New Moore (South Talpatty) Island which was wrongly claimed to be Indian waters. In fact, North-East of South Talpatty is the estuary of the Raimangal river, an internal river of Bangladesh. As such the Indian ship was actually anchored in Bangladesh waters, escalating the provocative situation.

**Bangladesh Note Verbale of 16 May and Press Release of the Ministry of Foreign Affairs:**

On 16 May, 1981 the Government of Bangladesh lodged another strong protest refuting the unfounded Indian allegation of provocative activities in the area as totally baseless since Bangladesh navy boats were operating well within Bangladesh territorial waters. Bangladesh accused India of unilaterally and wilfully acting in a provocative manner by positioning an Indian navy ship in Bangladesh territorial waters in gross violation of the territorial integrity of Bangladesh. Bangladesh listed further provocative actions on the part of the Indian Navy including operations of two Indian Navy Helicopters between the island, the INS "Sandhayak" and the Indian mainland; buzzing fo a Bangladesh Navy Boat in Bangladesh waters; increase in the number of tents on the island, positioning of 3 communication aeriels and a pole with a large Indian flag and the manning of machine-gun posts by uniformed personnel on the island. In the meantime, a Petya class Frigate INS Andaman No P74 had also joined INS Sandhayak. This tantamounted to further escalation of the provocative situation.

Though, the Indian Ministry of External Affairs in its Note dated 13 May, 1981 reiterated the intention of the Government of India to exchange further data and to hold further discussion based on the understanding reached between the two Foreign Ministers for the peaceful solution of this problem, there was clearly a contradiction between such declared intention and actual actions in mounting what amounted to a military operation on the South Talpatty island and adjoining areas. The unfounded allegations of provocation on the part of Bangladesh, were evidently put forward on receiving Bangladesh protest as cover for India's illegal action.

In another Note also dated 16 May, 1981 Bangladesh pointed out the above facts to the Government of India. In both the Notes dated 16 May, 1981 Bangladesh Government requested the Government of India once again to withdraw the Indian navy ships from Bangladesh waters, to remove men and materials including the flag forthwith from the disputed island and to desist from such unilateral and provocative actions in the future. Bangladesh Government also requested the Government of India to conduct a joint survey immediately with a view to resolving this problem peacefully and without further delay in a spirit of understanding, cooperation and good-neighbourliness in accordance with its commitments.

Simultaneous to the issue of these notes a press statement was also released on 16 May, 1981 by the Bangladesh Ministry of Foreign Affairs stating the factual position. It was, therefore, quite clear that the Government of Bangladesh did not lose any time, at any stage, in taking prompt action in the matter and informing the people soon after receiving the Indian response.

**Indian Note of 18 May, and Bangladesh reply of 21 May, 1981**

In response to a Note received from the Indian High Commission in Dacca on 18 May, 1981 Bangladesh replied that the allegation of launching an anti-Indian campaign by Bangladesh was totally baseless and that, on the contrary, it had been noticed that a sustained anti-Bangladesh campaign had been built up in India

over a period of time. It was pointed out that several demonstrations had already been staged in front of the Deputy High Commission in Calcutta in the recent past and that in spite of prior information given to the Indian authorities, no measures were taken to prevent the illegal demonstrations or for preventing such demonstrations from coming too close to the Mission, disrupting its normal functioning and threatening its security. The Indian Government was requested to provide sufficient security measures to protect the lives and properties of the Bangladesh High Commission in New Delhi, the Deputy High Commission in Calcutta, the Visa Office in Agartala and Bangladesh public sector organisations in India on an urgent basis.

Bangladesh also informed the Indian High Commission that immediately on receipt of their Note (on a holiday) that necessary instructions had been issued to all concerned agencies to ensure adequate protection to the Indian High Commission and public sector organisations. The Deputy High Commissioner of India also requested to provide a full list of the Indian organisations and Indian citizens present in Bangladesh for whom measures for protection were requested. It was pointed out that since Indian citizens were not required to register with Bangladesh authorities, the Government of Bangladesh could not ascertain their whereabouts.

Indian Note of 20 May, 1981 and Bangladesh reply handed over to Indian High Commissioner on 23 May, 1981:

In response to an Indian Note dated 20 May, 1981 delivered to its High Commission in New Delhi, Bangladesh pointed out that discussions between the Foreign Ministers of India and Bangladesh led to an agreement for a peaceful solution of the problem through the exchange of additional data and further discussions. This agreement complemented and in no way negated the agreement for a joint survey reached during the visit of the Indian Prime Minister to Bangladesh in April, 1979.

While negotiations were in progress and additional data were being awaited, Indian military actions in South Talpatty/New Moore island was a clear violation of the above agreements and of internationally accepted norms and practices. Instead of easing the tension created by such action, India was taking recourse to the unfortunate course of justifying this illegal action by levelling unfounded accusations against Bangladesh, one after another.

The fact remained that it was India and not Bangladesh that had landed armed personnel on the island and that never before had India mentioned that its personnel had visited the island or that Indian BSF personnel were sent there on previous occasions.

It was pointed out that if the intention of the Indian Government in sending a Navy survey ship was to collect information for additional data to be exchanged with Bangladesh, it was expected as a neighbour and in view of existing agreements that Bangladesh should have been informed in advance of the contemplated step. On the other hand the "INS SANDHYAK" is an armed ship.



The note stated that it was indeed preposterous to suggest that small Bangladesh gunboats operating in Bangladesh waters would take menacing postures or engage in provocative activities. The Indian Government is also aware that Bangladesh had in fact, as early as 11 May, 1981, long before the activities of the Bangladesh naval boats alleged to have taken place on 12, 13 and 14 May in the Indian Note of 20 May, urged the Indian Government to withdraw the ship from Bangladesh waters and also to remove its men and materials from the island. This could leave no room for doubt as to who was responsible for the provocation.

With regard to the movements of the Indian ships, Bangladesh Note pointed out that the coordinates of the positions in which these ships were anchored as observed by Bangladesh naval boats in the near vicinity, placed both the "INS SANDHAYAK" and the INS ANDAMAN" well within the territorial waters of Bangladesh, north-east off the New Moore/South Talpatty island as admitted by the Government of India itself.

It was further pointed out that it also appeared from the Indian Note that there was an attempt on the part of the Government of India to back out from the commitment to a joint survey made by the Indian Prime Minister in April 1979, on the pretext that the joint press statement of the two Foreign Ministers in August 1980 contained no reference to the joint survey. If the Government of India was convinced that the disputed island was located within her territory, she should have no reason to disagree to a joint survey which would have dispelled all misgivings as to the location and rightful ownership of the island. Furthermore, in the interest of preserving mutual trust between the two neighbours, India should honour the commitment to a joint survey which was agreed upon at the highest level between the Indian Prime Minister and the Bangladesh President. The possibility of a joint survey was never precluded by the Foreign Ministers in their meeting in August, 1980. It is in this context, and in the light of the recent unhappy and unwarranted developments that the former Minister for External Affairs of India stated recently that "a gap of trust had been created with the smaller neighbour under the present government" (of India) and that "the non-aligned principles of India had been undermined by her policies towards the small neighbours."

Bangladesh firmly believes that friendly and good neighbourly relations between Bangladesh and India are in the mutual interest of the peoples of the two countries and efforts to strengthen and promote such relations should not be allowed to be jeopardised. It was for this reason that while protesting against India's unilateral and illegal actions special care was taken by the Government of Bangladesh not to introduce any extraneous issues as India unfortunately appeared to have been doing. The note added that Bangladesh Government viewed with great concern the attempt on the part of the Government of India to change her position in successive notes and to misconstrue the agreements and understanding reached between the two countries for the peaceful solution of the problem.

Though India has since removed the INS SANDHAYAK and INS ANDAMAN, Bangladesh reiterated its demand to the Government of India for the immediate withdrawal from the disputed island of the remaining armed Indian vessel the "INS SHARAB," personnel and materials including the Indian flag, in order to restore the



spirit of friendly and good neighbourly relations and mutual trust between the two countries and also to initiate measures for peaceful solution of this problem at an early date by honouring the agreements in the spirit of understanding and good neighbourly relations in which they were reached.

## 12. Conclusion:

Guided by the principles of the United Nations Charter and Non-Alignment Bangladesh is determined to take all necessary steps for a just and peaceful solution of this problem at an early date in accordance with the agreements reached between the two Governments. In the interest of good neighbourly relations between Bangladesh and India and peace and stability in the region, Bangladesh considers it imperative that India honour her commitments in the spirit in which they were made, desist from use of force and settle the problem peacefully at an early date.

CSO: 4220/7982

RECOMMENDATIONS OF ENERGY SEMINAR PRESENTED TO ZIA

Dacca THE BANGLADESH OBSERVER in English 27 May 81 pp 1, 8

[Text] The two-day seminar on "energy for development" under the auspices of Science and Technology Division concluded in Dacca on Monday with a call to tap all energy sources including harnessing of atomic energy sources for speedy development of the nation, reports BSS.

The seminar inaugurated by President Ziaur Rahman was participated by about 125 delegates from all over the country comprising scientists, technocrats, economists and policy makers. A total of 18 papers were presented at the seminar on global and local energy situations, energy options for Bangladesh commercial energy sources, renewable energy sources and nuclear energy subject areas.

The recommendations of the seminar were presented to President Ziaur Rahman at a simple function at Bangabhaban on Monday.

The seminar stressed that the energy development programme should aim at economic development of the rural population and thus solar energy programme should be tailored accordingly.

It observed that dependence on local technological know-how should be the key principle in the development of these energy sources. It was also pointed out that before potential new sources like solar or mini hydro power generation are introduced the prospects of these sources must be explained to the people for their participation and suitable expertise developed in the country.

A separate session was devoted to nuclear energy and the papers read out at the session covered nuclear power as a source of energy, the role of nuclear power in the energy mix of Bangladesh, safety and environmental aspects of nuclear energy and the economics of nuclear power.

It was felt that nuclear energy is proven source of electricity on which an increasing dependence is being seen around the world.

Considering the extent of fossil fuel reserve and in the context of suitable energy mix it was strongly felt that the country should embark upon a programme for nuclear power immediately.

In its recommendations, the seminar called for appropriate organisational structure priority to projects in the energy sector, integrated planning and creation

of proper energy awareness among the people through publicity and education and mobilisation of all national efforts to face the energy crisis.

It recommended for working out a policy of optimum energy mix among the five major sources that is oil, gas, coal, nuclear and hydro power, atomic.

Considering that non-commercial energies cater to the direct needs of the vast multitude of rural population the seminar suggested that appropriate emphasis should be given to the sector so as to maintain and increase the present per capita availability. The prospective areas in this sector are energy, forests, solar energy, biomass and bio gas, mini hydro, wind energy, tidal waves, thermal electric conversions. It made recommendation for giving highest emphasis to short-cycle tree plantation in domestic plots, along side embankments, roads and mobilising mass endeavour.

The seminar recommended updating the data provided by the earlier energy studies. It suggested that the data should be updated after every five years.

On development of coal the seminar suggested that in view of existing lack of fuel resources in the north and western region of the country the project for mining of coal should expeditiously completed. It called for making further efforts for discovery of gas and maximum use of gas replacing imported oil and thus relieve the pressure on balance of payment. It also suggested to examine the use of gas in fertilizer and chemical industries industrial process heat, transport domestic consumption and possibility of conversion of gas into methanol and gasoline.

The seminar recommended to undertake extensive search to locate liquid hydrocarbon in the country and discourage use of oil products for power generation and for conversion of oil find stations to other fuels.

On use of nuclear energy the seminar recommended that Bangladesh should go for nuclear power generation without further delay in view of the fact that hydro, coal and gas can only partly supply the generating need of a probable 6000 megawatt by the end of the century.

It also called for making efforts for proper upkeep and maintenance of plant and equipment in power station industries transports and other sectors to improve efficiency of energy use. Future choice of plant should be based on energy efficient technologies as well as waste heat recovery.

Finally for the fast economic development of the country the seminar suggested to formulate and implement a practical and progressive energy policy to ensure security of supply at reasonable cost.

SO: 4220/7982

# PETROLEUM MINISTER REPORTS DRILLING PROGRESS

Dacca THE BANGLADESH OBSERVER in English 5 Jun 81 p 8

[Text] Feni, June 4--Petroleum Minister Mr Akbar Hossain today said the country was close to realising the late president Zia's dream to strike oil in Bangladesh, reports BSS.

The Minister who had a whirlwind visit to different ongoing drilling sites at Feni, Bakhrabad, Kamta, Zakiganj and Kailastila today addressing the drilling crew and experts said there should be no respite in realising the dream of the late President who had the conviction that "one day we are sure to strike oil."

He said that the nation was passing through a grave crisis and to overcome it everybody must put in his best." There is no relaxing and we must step up our activities.

He instructed the field workers to complete drilling projects within schedule. He also asked them to guard against any conspiracy to foil drilling activities.

During his visit to the drilling sites, the Minister was accompanied by Mr S. Hasan Ahmed Chairman of Petrobangla.

Drilling at the Feni site had reached over 10,000 feet and is expected to be finished by the middle of this month after which production testing will be conducted.

Work at the Bakhrabad Well No two is also progressing very fast and so far drilling five hundred feet. Experts at the project site are, however, confident that despite problems of timely supplies of consumables, drilling of the well would be completed by the middle of next month.

At Kamta, near Tongi initial work had already started to embark on the drilling as soon as possible.

At Kailastila in Sylhet district, where a proven reserve of .03 trillion cubic feet of gas had been discovered. The production was awaiting a blowout preventor and equipment needed to check pressure.

Experts said the equipment was expected to be brought from the Feni site as soon as production testing had been finished there later this month. The Kailastila gas field will also produce three hundred barrels of petrol as by product of gas.

Exploration drilling at the Zakiganj site which is often described by experts as the most promising structure that could eventually produce oil will begin by the end of this month.

The project will cost nearly Taka 15 crore most of which would be provided under the West German technical assistance programme.

CSO: 4220/7992



## MINISTER EXPLAINS OBJECTIVES OF IMPORT POLICY

Dacca THE BANGLADESH OBSERVER in English 27 May 81 p 1

[Text] The availability of essential commodities at fair price and the protection to local industries will be the two major objectives of the import policy for the coming fiscal year.

This was stated by Chowdhury Tanbir Ahmed Siddiky Minister of State for Commerce at the inaugural session of the two-day meeting of the Consultative Committee for the Ministry of Commerce on Tuesday at a local hotel in Dacca.

He maintained that like the Import Policy during the current financial year, the interests of the fixed income groups would be safeguarded in the next import policy by way of ensuring the supply of essential consumer items at fair prices. The Government is also concerned to promote the development of local industries with a view to accelerating the pace of overall national development he stated while assuring all concerned that the next import policy would reflect the government priority for the growth of local industries through provision of adequate protection to the local industrial units.

The opening session of the meeting of the Consultative Committee was attended by the high officials of the External Resources Division Bangladesh Bank Commerce Ministry Department of Industries and the representatives of different chambers of Commerce & Industry.

Among others, Mr M. A. Muhith ERD Secretary Mr Nuruddin Ahmed President, Dacca Chamber of Commerce & Industry, Mr M. A. Mumin, Administrator of the Federation of Bangladesh Chamber of Commerce & Industry, Mr M. A. Malek, MP of Sylhet Chamber, Mr Siddique Ahmed of Khulna Chamber and Mr Rashid Ahmed of Jute Traders Association spoke at the inaugural session.

The meeting observed one minute's silence to pay homage to Ferdous Alam Dulal a senior reporter of Bangladesh Sangbad Sangstha who was murdered recently in the city.

In his inaugural address, the Minister of State for Commerce noted that necessary steps had been taken by the Government to overcome the situation of short supply with regard to certain essential commodities. He felt that local industries must make relentless efforts to produce qualitative goods at cheaper costs in order to avail themselves in the opportunities in the form of protection to local industries.

He appealed to the commercial importers to utilise their licences in time because of the fact that the non-utilisation of licences relating to essential commodities caused great difficulties for the common people. Referring to the various problems faced by such importers in this connection, he said that an evaluation study would shortly be done.

About the current year's Import Policy the State Minister said that the resource allocation for setting up export oriented industries, industries in underdeveloped areas, and for BMR (balancing modernisation and replacement) programme had been fully utilised. He added that additional fund had been provided for fuel, oil and cement sectors after the original allocated amount had been spent.

Addressing the session the ERD Secretary called for speedy and smooth utilisation of commodity assistance from various sources. He noted that all concerned should make relentless efforts to boost the export trade in view of the fact that foreign assistance contributed at present to almost half of our total import bill.

Mr Nuruddin Ahmed DCC&I President stressed the need for regular consultation with the representatives of Chambers and Trade Associations before signing any barter trade protocol with any foreign country. He called for avoiding any mid-term change in policy.

CSO: 4220/7982

## POWER STRUGGLE SEEN AS THREAT TO IRAN

Lahore VIEWPOINT in English 18 Jun 81 p 6

[Text]

**W**HATEVER the damage inflicted by the latest earthquake in Kerman, the people of Iran will bear the loss of life and property with customary fortitude. Towns and villages reduced to rubble will be reconstructed, bereaved families will learn to mend the broken threads of their lives, and life will soon return to normal. Far more dangerous for the country's future, however, is the man-made volcano which, after long months of simmering, has finally erupted. It could easily engulf the State in anarchy, subject the people to a dictatorship of some sort, and rend the fragile fabric of the Constitution. Its centre is pin-pointed variously at the Presidential Palace or the House of Parliament, depending on the observer's political predilection; but the indisputable fact remains that the explosion threatens to affect the whole country with chaos which may well lead to civil war.

Enforcement of Iran's hybrid Constitution, devised by a select constituent body, did not end but worsened the confusion that has persisted since completion of the Iranian revolution. The document made a three-way division of powers between the elected President, the Majlis, and, most important of all, the Supreme Leader—aided, and later to be replaced, by a Supreme Council of twelve nominat-

ed wise men. Banisadr's election as President, through an overwhelming popular vote, put him in a powerful position; but when it came to the parliamentary election, the rival Islamic Republican Party gained a majority. Since then Iran's troubles have multiplied.

The sharp differences between the twin repositories of power have not been restricted to selection of the Cabinet, but have spread to all aspects of Government policies. This has deprived the country of cohesion and a clear sense of direction, particularly necessary in the aftermath of bloody civil strife. Ayatollah Khomeini as supreme leader, with final authority in both political and religious matters, has held a precarious balance in the tandem regime. However, hopes that the Imam's intervention would end the squabbling between the President and the Majlis have not been realised. Not even the war forced on Iran by Iraq has compelled its divided leadership to sink their differences and work together to defend the country's integrity.

Over the last few weeks, differences within the Government have brought about an open conflict. The Imam has apparently decided to side with the Majlis. As a result, a few days ago Banisadr was deprived of his

position as the country's Commander-in-Chief, and soon thereafter the Public Prosecutor banned six newspapers including two which gave full support to the President. This situation was assessed by the elected President as an attempted coup to oust him from power. Therefore, one witnessed the strange phenomenon of a ruling President arranging for underground publication of his statements. In his appeals to the country's youth to resist Iran's regression to autocracy, Banisadr has declared that he will not submit to the asinine Mulla dictatorship. The latest development is that the President's Palace has been surrounded by revolutionary guards, and the Majlis will sit in judgement on his conduct or competence and if possible to remove him from office. In the meantime, reports from Iran suggest that President Banisadr has gone underground to avoid arrest. However this grave crisis may be overcome, it has all the ingredients of intensifying civil strife. That this should be possible when Iran is at war with a neighbouring State can only be described as some form of political madness. One can only hope that the Imam, who still enjoys a position of supreme authority among the people, will intervene to restore political order without which Iran may enter an era of self-destructive turmoil.

## CIA'S STATISTICS ON OIL CRITICIZED

Lahore VIEWPOINT in English 18 Jun 81 p 8

[Text]

AMERICA's Central Intelligence Agency—given extra muscle by Chief Sheriff Reagan—has never enjoyed much credibility for its political, military or economic intelligence, except among the Pentagon bosses and others who manipulate or take advantage of CIA reports to push their pet projects.

Almost as a matter of routine, before each budget is presented to Congress, 'secret' CIA estimates are leaked showing that the USSR is far ahead in some specialised field. The sector chosen depends on whether special emergency aid is sought for the navy or the army or space exploration. Other CIA reports seek generally to hot up the political climate.

A typical recent example of CIA functioning is linked with the energy crisis. After OPEC began raising oil prices, the CIA started touring the theory that the Soviet oil industry was declining and the country's oil reserves were being depleted faster than new finds. It presented a string of statistics to show that by 1985 the USSR, now the world's largest oil producer, would need to import a minimum of 3.5 million barrels of oil daily. What then? There is some method in the fabrication of such lies. Said the CIA, the USSR

would be compelled to move into the oil-rich Gulf region; therefore, the great white protector must act to forestall the imminent Soviet threat of intervention. Hence, the reactivation of Diego Garcia, the creation of a Rapid Deployment Force, a trial intervention in Iran, and open threats to the oil-rich Gulf States that they must continue full supplies to the West or face invasion. Along with this came the revival of Cold War II and massive efforts to make ready for World War III. In pleading for a bigger war budget, Reagan's Defence Secretary Weinberger declared: "The Soviet Union will almost certainly become a net energy importer. This, coupled with their economic necessity for eventual access to the Gulf oil bases...."

**Facts**

Facts have disproved the CIA's calculations. Soviet oil production and exports (at 40 per cent of OPEC prices for its allies) continue to expand. On the political front, Brezhnev has repeatedly suggested peace plans for the Gulf and the Middle East,

which the natives tend to approve. At the same time, the U.S. Defence Intelligence Agency made its own estimates and came to the conclusion that the CIA estimates were faulty in many ways, and recommended that U.S. strategic planning should not be based on the CIA's numbers game.

Perhaps, the most amusing sidelight to the oily episode is that a well-known U.S. professor, presumably amenable to CIA influence, has ventured to suggest that it was the CIA's 1977 adverse report which goaded the Soviet Union into making more strenuous efforts to overcome its oil shortages. The summation is that "the CIA report virtually guaranteed that its predictions would turn out wrong."

If this were anywhere near the truth, henceforth the CIA must present only laudatory reports about Soviet achievements, so that the country's rulers can remain blissfully and somnolently unaware of its economic shortcomings—and, thus, the U.S. can march to success in super-Power competition.

AMERICAN FIRM MAKES MAJOR OIL FIND EAST OF KARACHI

CP300944 Karachi DAWN in English 27 Jun 81 pp 1, 12

[Text] Rawalpindi, 26 Jun--An American oil firm operating a joint venture with Oil and Gas Development Corporation (OGDC) in the lower Indus Basin, has reported a major oil find at Kashkeli, 95 miles east of Karachi in Badin District, but petroleum Minister Maj Gen (Retd) Rao Farman Ali Khan said it was still premature to talk about the real potential of the newly discovered oilfield.

Asked to comment on reports about the oil find, the minister told APP here last night that the situation would become clear within 3 months time, the approximate schedule for completing testing in accordance with good oilfield practice.

He disclosed that Union Texas, which is operating the venture, claims to be producing above 1,000 barrels a day, and the company officials were confident to raise the daily production from the Kashkeli well to about 10,000 barrels per day. However, he added, it was too early to say anything concrete and final on the subject, because OGDC had no technical involvement in the drilling of the well.

The minister said that he did not believe in building false hopes and recalled some past instances in which initial reports about some oil discoveries had been exaggerated whereas the wells in question proved total flop later on. "Let us wait for 3 months and watch the final results," he commented.

Rao Farman Ali said that Union Texas officials had claimed to have struck oil only at a depth of 4,500 feet in the lower Indus Basin, as compared to the hard and deep drilling required in the case of Potokhar region. He said that the presence of oil in the lower Indus Basin was a good omen, because the region was generally considered to be gas prone and oil exploration efforts in this area were abandoned in 1961 after another company drilled 3 dry wells.

He said that the crude being produced from Kashkeli was stated to be sulphur-free and rated to be of good quality by the oil company officials.

However, he said, that a few more drillings in the same area would be necessary to give the potential of the oilfield. Drilling in the lower Indus Basin, he added, will be more economical in comparison to the hardships being experienced in Potokhar region, where the drilling of a well generally takes around 1 year and costs in between Rs 8 to 10 crore.



The Kachikell well was spudded in only a month (14 May 1981) and was drilled to a depth of 8,529 feet.

ONGC-Government have initial interest of 10 percent in the joint venture and the option to acquire additional 30 percent interest excluding royalty receivable in kind.

In the last 3 years, government has granted a number of areas (48,500 sq miles in total) for oil exploration to major international companies, including British Petroleum, Shell, Gulf Oil and Occidental of United States to supplement efforts being made in the public sector, and as a result 24 wells have been drilled during the financial year ending 30 June 1981.

CSO) 4220/130

PRESSURE ON WAGE EARNERS NOTED AS BUDGET READIED

Lahore VIEWPOINT in English 18 Jun 81 p 9

[Article by Hussain Naqi]

[Excerpts] Worried

Budgets, Federal, Provincial and Railways' are due, and the salaried groups are worried as to what fate awaits their inflation-mauled salaries and wage packets.

For the wretched ones who happen to be in the four-figure earning group (still mentionable in early seventies), the pay-day now comes as a day for receiving rebukes and humiliation. After all, what can Rs. 1,000 buy for a family approved by Begum Atiya Unayetullah's department? If one has to hire a couple of roofed rooms, wishes to feed the "ideal (sic) sized" family with food having the minimum essential calorific value, has to buy a pair of shoes for all and essential clothing to meet the demands of "Chadar," and sends the kids to any school, including the junior model ones of the Municipal Corporation, dares to travel in the PUTC-operated vehicle fit for the transport museum, does not dare to go to a doctor even once-in-a-month average for the whole family, is pious enough to avoid entertainment permissible for the faithful, does not get clothes stitched, avoids cut and stale fruits pretending to be taking to the advice of health authorities, let the budgeting authorities prepare a monthly expense account. Also, the budget-launchers should tell all those families surviving in the three figure salary group how to make both ends meet for they still are knowledgeable as citizens, as they are asked every now and then to get their family members registered with the identity cards issuing authorities, as also elect councillors to replace the ones who might have lost their lives or their membership for various reasons, some mentionable some not.

So, the budget phobia is on and the budget will be effective as the month of fasting begins. What a coincidence indeed!

CSO: 4220/332

## AUTONOMY FOR MORO MUSLIMS SOON

Karachi DAWN in English 3 Jul 81 p 20

[Text] Mr Inamullah Khan, Secretary-General of Movamat Al-Islam Al-Islami, said on Wednesday night that under the Tripoli Agreement "a meaningful autonomy" for the five million Muslims of Philippines is expected to be announced shortly.

He was speaking at a dinner hosted by Mr Abdullah Dadashov, Member of the Executive Committee of Movamat, in honour of Dr Maruf Dwalid, President of Movamat Al-Islam Al-Islami and Adviser to King Khalid, who however left Karachi for Jordan on an "important mission".

Others who spoke on the occasion were Rawshada Mahmood Ali Khan, Mr Bashir Kwaw Suwamy, a former Attorney-General and Justice Minister of Ghana and presently a member of the Movamat, and Shaikh Yousef Rahim Al-Rifal, a former Minister of Kuwait and also a Member of the Movamat who attended the Tokyo seminar and had discussions with Mr Marcos, the President of Philippines.

Mr Inamullah Khan said that Dr Maruf Dwalid, Mr Suwamy, Mr Al-Rifal and himself attended the first ever seminar in Tokyo in connection with the Hijra celebrations and later went to Manila for talks with President Marcos on the question of Muslim minority of Moro.

He told the gathering that the

60 minutes of talks with him by the Movamat delegation was fruitful and he was hopeful of a settlement soon and the end of a civil strife there and a meaningful autonomy for the Muslims.

Mr Inamullah Khan said that the deliberations at Tokyo will be made public soon in the form of the Tokyo Declaration.

Mr Suwamy of Ghana who also attended the Tokyo seminar and participated in the Manila talks gave the details of what the world of Islam is doing for the upliftment of the Muslims in West Africa.

He described the West African countries as Muslim Continent and said that out of 140 million population there are 112 million Muslims in 18 nations.

Shaikh Yousef Al-Rifal said after attending the Tokyo Islamic seminar he went to Korea where he performed the opening ceremony of a third Mosque.

He said, it is a matter of pride for the Muslims that in Japan and Korea large number of people are embracing Islam because they are realising that Islam is the only religion which provides a complete code of life.

In both the capitalist and the socialist systems, people are confused and restless and violence has become the order of the day, he said.

He said, in a situation like this,

they are finding solace in Islam which is a religion of peace.

Mr Al-Rifal said that Islam provides all the answers to the present day problems and people in Kuwait are keenly watching the developments that are taking place in Pakistan — for the Islamisation of laws and moulding the lives of the people according to the Quran and Sunnah.

The dinner was attended among others by Begum Tasin Paradi, Provincial Minister for Social Welfare, Mr Ahmad Dawood and Mr Ghulam Mohammad.

## Missing PIA crew members back

The two PIA crew members who were missing in Damascus for the last three days reported back at their hotel there, airline sources said.

Flight Purser Mohammad Salim and Flight Steward Khanullah were due to operate the PIA flight PK-789 from Damascus to Karachi on Sunday morning, but they were reported missing.

The Pakistan Embassy in Damascus and local PIA office had informed the Syrian Police about the two missing crew men and a search was going on for them.

PIA sources did not give any details about the disappearance and sudden reappearance of the two men immediately.

## ECONOMIC GROWTH IN 1980 SET AT 5.4 PERCENT

Manila BULLETIN TODAY in English 27 Jun 81 pp 1, 6

[Text]

THE NATIONAL Economic and Development Authority reported yesterday that the economy grew by 5.4 percent in 1980, higher than the advance estimate of 4.7 percent made in December 1980.

In an updated report to President Marcos, Economic Planning Minister Gerardo P. Sicat said that although the growth performance in 1980 was the lowest experienced in the past decade, it was not really that bad compared to the performance in the 1960's when conditions were most conducive for growth.

Sicat said the economy faces similar hostile if not worse external conditions this year and beyond. However, there are new opportunities that can be explored fully to advantage, he said.

He added that the growth target

of 5.5 percent in 1981 can be attained if the mix of adjustment and anticipatory measures adopted by the government are maintained.

SICAT, who is also NEDA director-general, said that the per capita gross national product (GNP) grew by 3.1 percent. In present peso terms, the GNP is now P264.3 billion or P5,344 per member of the population.

The GNP is the value of the goods and services produced in the economy in a given period.

The NEDA said that growth was "more buoyant" than earlier estimated in agriculture, manufacturing, construction and services.

Growth was sustained by

government spending, private construction, purchase of durable equipment, and export activity, he said.

Despite generally low international prices, a larger proportion of gold and coconut oil produced was also exported.

The NEDA head pointed out that overall performance in the 1970s was better than in the 1960s, despite the more difficult decade as the annual average growth rate improved from 5.2 percent to 6.5 percent.

DANISH LOAN ACCORD SIGNED

Manila BULLETIN TODAY in English 27 Jun 61 p 36

[Text]

The Fourth Philippine — Denmark Loan Agreement was signed yesterday by Foreign Minister Carlos P. Romulo and Danish Charge d'Affaires Ole Woehlers Olsen at the Ministry of Foreign Affairs.

Under the agreement, the Royal Danish government will make available to the Philippine government a \$5 million Danish kroner (approximately US\$12 million) interest-free loan.

The loan will be applied to the acquisition of the most modern, fully equipped combined training/cargo vessel

for the National Maritime Polytechnic, the agency responsible for upgrading skills of Filipino seamen. The vessel's purchase is in line with the Philippine Maritime Industry Authority's modernization program of overseas fleet.

The project of upgrading Filipino seamen skills will enhance the Philippines' competitive position vis-a-vis other nations engaged in maritime services. In behalf of the Filipino people, Minister Romulo requested Olsen "to convey of the people and government of Denmark our sincere appreciation for the continuing contribution of Denmark towards the realization of our economic goals and objectives as embodied by the grant of this fourth loan."

CSO: 4220/340



## EXAMINATION OF GOVERNMENT FUNDS IN PHILFINANCE

Manila BULLETIN TODAY in English 27 Jun 81 p 15

[Text]

About P200 million in government money, mostly in trust funds, were placed with Philippine Underwriters Finance Corp. (Philfinance), the scandal-rocked finance company whose operations are now under the process of liquidation by the securities and exchange commission.

Funds of government entities placed with Philfinance included those from the national irrigation administration, Land Bank of the Philippines, Philippine Veterans Bank, and Ministry of Human Settlements, it was confirmed yesterday.

While some of these funds were fully covered by collaterals, others were placed on a clean basis, it was also confirmed.

Placements of these funds in Philfinance may be violative of the government policy that government money, specially those which partake of the nature of trust funds, must be placed only in government banks.

Section 118 of Republic Act 265 states that "The Central Bank shall be the official depository of the government, its political subdivisions and instrumentalities as well as of government-owned or controlled corporation and, as a general policy, their cash balances should be deposited with the Central Bank, with only minimum working balances to be held by government-owned banks and such other banks incorporated in the Philippines as the Monetary Board may designate, subject to such rules and regulations as the Board may prescribe."

Central Bank Circular No. 675 dated April 17, 1979 and implementing section 118 of Republic Act 265 states that "No private banks or non-bank financial intermediary, whether or not performing quasi-banking functions, shall borrow funds through the issuance or sale of its acceptances of debt, from the government and government entities."

PAPUA NEW GUINEA NEEDS MORE PHILIPPINE WORKERS

Manila BULLETIN TODAY in English 27 Jun 81 p 14

[Text]

The Papuan government plans to engage the services of thousands of Filipino professionals and laborers to hasten the socio-economic development of New Guinea.

This was bared by Papuan Minister for Primary Industry Roy Evara to a big delegation which welcomed him at the Manila international airport late yesterday afternoon. The delegation was made up of officers and members of the Allied Barangay Members Association of the Philippines (ABMAP) which earlier had chosen him as its honorary chairman.

Evara, who made a short stopover in Manila after a business trip to Malaysia, said the services of some 10,000 Filipinos now working in Papua could not cope with the need for the fast industrialization of his country.

The stocky 30-year-old Papuan official said his government has given priority to Fili-

pus to fill up the vacant positions in its various ministries and departments.

The main reason he said why the Filipinos were well-liked in his country was that they could mingle easily with the natives and could live even in the remotest part of New Guinea.

Evara said the ABMAP, with office address at Room 407 Jennie bldg. at the corner of Quiricada st. and Rizal avenue in Sta. Cruz, could start the processing the papers of its members and could make the recommendation for their employment in the various departments of the Papuan government through his office.

To avoid any misunderstanding with the Philippine government, Evara urged ABMAP to inform the Labor ministry of the arrangement that the organization would only recommend its members for employment.

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**July 23, 1981**